Exhibit 8

Excerpts of Endeavor Group Holdings, Inc. Form S-1 dated May 23, 2019

As filed with the Securities and Exchange Commission on May 23, 2019.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Endeavor Group Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**7900**	**83-3340169**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

9601 Wilshire Boulevard, 3 rd Floor
Beverly Hills, CA 90210
(310) 285-9000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Jason Lublin
Chief Financial Officer
9601 Wilshire Boulevard, 3 rd Floor
Beverly Hills, CA 90210
(310) 285-9000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Justin G. Hamill, Esq. **Marc D. Jaffe, Esq.** **Ian D. Schuman, Esq.** **Latham & Watkins LLP** **885 Third Avenue** **New York, New York 10022** **(212) 906-1200**	**Seth Krauss, Esq.** **Chief Legal Officer** **Joel Karansky, Esq.** **Deputy General Counsel and Corporate Secretary** **Endeavor Group Holdings, Inc.** **11 Madison Avenue** **New York, NY 10010** **(212) 586-5100**	**Thomas Holden, Esq.** **Ropes & Gray LLP** **Three Embarcadero Center** **San Francisco, California 94111** **(415) 315-6300**

Approximate date of commencement of proposed sale to the public: **As soon as practicable after this Registration Statement becomes effective.**

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☑	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Proposed Maximum Aggregate Offering Price(1)(2)**	**Amount of Registration Fee(3)**
Class A common stock, par value $0.00001 per share	$100,000,000	$12,120

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) of the Securities Act of 1933, as amended.
(2) Includes shares subject to the underwriters' option to purchase additional shares of Class A common stock.
(3) Calculated pursuant to Rule 457(o) of the Securities Act of 1933, as amended.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Risks Associated with Our Business

An investment in our Class A common stock involves a high degree of risk. You should carefully consider the risks summarized in the "Risk Factors" section of this prospectus immediately following this prospectus summary, including the risks that:

- changes in public and consumer tastes and preferences and industry trends could reduce demand for our services and content;
- our ability to generate revenue from discretionary and corporate spending on entertainment and sports events is subject to many factors, including many that are beyond our control, such as general macroeconomic conditions;
- our failure to identify, sign and retain clients could adversely affect our business;
- our substantial indebtedness could limit our ability to pursue our growth strategy; and
- we are controlled by Messrs. Emanuel and Whitesell, Executive Holdco and certain affiliates of Silver Lake Partners, whose interest in our business may be different than an investor in this offering.

Corporate History

The Endeavor Agency, L.L.C. was founded in 1995 by Ariel Emanuel and several partners. In 2009, The Endeavor Agency, L.L.C. merged with the William Morris Agency, LLC (founded in 1898) to form William Morris Endeavor Entertainment, LLC ("WME"), with Ariel Emanuel and Patrick Whitesell becoming WME's Co-Chief Executive Officers.

In May 2012, affiliates of Silver Lake Partners made a strategic minority investment in WME.

In 2014, WME acquired media, sports and fashion leader IMG Worldwide Holdings, Inc. ("IMG") (founded in 1960) (the "IMG Acquisition") and formed Endeavor Operating Company, with additional equity capital from, among others, affiliates of Silver Lake Partners.

Since the IMG Acquisition, additional investments have been made in Endeavor by, among others, affiliates of Silver Lake Partners, the Canada Pension Plan Investment Board and GIC Private Limited, Singapore's sovereign wealth fund. Endeavor has also completed a series of organic growth initiatives, entered into several strategic joint ventures and made a number of additional acquisitions.

In 2016, Endeavor, together with affiliates of Silver Lake Partners and affiliates of Kohlberg Kravis Roberts & Co. L.P. ("KKR") and certain other investors, acquired Zuffa Parent, LLC ("UFC Parent"), which owns and operates UFC, the world's premier professional mixed martial arts ("MMA") organization (the "UFC Acquisition"). We have a controlling financial interest over the business and affairs of UFC Parent and have consolidated UFC Parent's financial results from the date of the UFC Acquisition. We currently own 50.1% of UFC Parent's common equity.

Additional acquisitions include: Frieze, a leading arts event and media company; PBR, the premier professional bull riding organization; 160over90, a full-service branding and marketing agency; and NeuLion, a video streaming services leader. In addition, we formed Endeavor China, a strategic partnership with Sequoia Capital China, a venture capital and private equity firm, Tencent Holdings Limited, a provider of media, entertainment, internet and mobile services in China, and affiliates of FountainVest Partners, a China-focused private equity firm.

On December 31, 2018, we completed the merger of our IMG College business with Learfield Communications, LLC ("Learfield"), a provider of integrated marketing solutions in college sports, to form

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directors) to reward outstanding performance. Mr. Lublin has a target bonus set forth in his employment agreement and the amount actually paid in respect of such bonus is determined by our Chief Executive Officer and Executive Chairman based on attainment of certain predetermined performance criteria; provided that Mr. Lublin's annual bonus each year shall be no less than 50% of the target bonus. Mr. Shapiro has a target bonus set forth in his employment agreement and the amount actually paid in respect of such bonus is determined by our Chief Executive Officer and Executive Chairman based on the attainment of mutually agreed performance criteria. Mr. Krauss is entitled to guaranteed annual cash bonuses for 2018, 2019 and 2020 as set forth in his employment agreement, though the actual annual bonus paid may be (and for fiscal year 2018 was) higher based on outstanding performance. No pre-determined single performance metric is disproportionately weighted in making the determination of a named executive officer's bonus payout, which provides discretion to our Chief Executive Officer and Executive Chairman or board of directors, as applicable, to adjust the actual amount paid in respect of bonuses (other than guaranteed annual minimum cash bonuses) to reward financial performance and individual performance in the context of our growing and dynamic business.

In addition to rewarding successful company-wide financial performance, the actual bonuses paid to Messrs. Emanuel, Whitesell, Lublin, Shapiro and Krauss for fiscal year 2018 reflected their overall leadership and management of the Company and their key contributions to developing and implementing the Company's short-term and long-term strategic objectives in the expansion of its capabilities as a global entertainment, sports and content company, ensuring the successful operational integration of newly acquired businesses and working towards the consummation of this offering.

The fiscal year 2018 target bonus or minimum annual bonus for our named executive officers, along with the actual bonus payout for fiscal year 2018, were as follows:

Name	Annual Minimum Bonus	Annual Target Bonus	Actual Annual Bonus Payout ($)
Ariel Emanuel	$ 3,000,000(1)	n/a	$ 4,000,000
Patrick Whitesell	$ 3,000,000(1)	n/a	$ 4,000,000
Jason Lublin	$ 750,000	$ 1,500,000	$ 1,700,000
Mark Shapiro	n/a	$ 1,000,000	$ 2,000,000
Seth Krauss	$ 1,150,000	n/a	$ 1,350,000

(1) This amount represents a guaranteed annual distribution of $3,000,000 distributed to WME Holdco and payable on or before December 31 of each year to each of our Chief Executive Officer and Executive Chairman pursuant to the terms of the Endeavor Operating Company Agreement (the "A/P Third Tranche Distribution").

In connection with the renegotiation of their employment agreements in 2018, the Company made certain changes to the annual cash bonuses of Messrs. Lublin and Krauss as described below in "—Modifications to Employment and Equity Compensation Agreements in Fiscal Year 2018." In connection with the renegotiation of their employment agreements in 2019, the Company made certain changes to the annual cash bonuses of Messrs. Emanuel and Whitesell as described below in "—Employment Agreements."

Equity Awards

Equity awards for our named executive officers have been granted in the form of (i) profits units of Endeavor Operating Company ("Endeavor profits units"), (ii) profits units of WME Iris Management Holdco, LLC ("Iris I units"), WME Iris Management II Holdco, LLC ("Iris II units"), WME Iris Management IV Holdco, LLC ("Iris IV units") and WME Iris Management V Holdco, LLC ("Iris V units" and, together with Iris I units, Iris II units and Iris IV units, the "management units"), (iii) profits units of UFC Parent ("Zuffa profits units"), (iv) profits units of UFC Management Holdco, LLC ("UFC profits units"), (v) Class A profits units of WME Holdco ("WME Holdco profits units" and together with Endeavor profits units, management units, Zuffa profits

units and UFC profits units, the "profits interests") and (vi) Class A common units of WME Holdco ("WME Holdco common units" and together with WME Holdco profits units, "WME Holdco units"). The profits interests and WME Holdco common units are referred to herein as the "equity awards."

The management units correspond to Endeavor profits units, and each Endeavor profits unit entitles the holder, upon a sale or other specified capital transaction, to a portion of the profits and appreciation in the equity value of Endeavor Operating Company arising after the date of grant. Messrs. Emanuel and Whitesell hold both Endeavor profits units and management units, and Messrs. Lublin, Shapiro and Krauss hold management units.

Certain management units held by Messrs. Emanuel and Whitesell are entitled to share in annual operating distributions, and certain management units that these executives hold may also share in operating distributions if determined by our board of directors. Certain Endeavor profits units held by Messrs. Emanuel and Whitesell and certain Iris IV units held by Messrs. Lublin, Shapiro and Krauss are designated as "catch-up" units entitled to receive a preference on distributions once a certain distribution threshold is satisfied such that the holder thereof receives the amount to which such holder would have been entitled in respect of such profits unit had such profits unit been a Class A common unit of Endeavor Operating Company.

UFC profits units correspond to Zuffa profits units, and each Zuffa profits unit entitles the holder, upon a sale or other specified capital transaction, to a percentage of the profits and appreciation in the equity value of UFC Parent arising after the date of grant. Zuffa profits units held by Messrs. Emanuel and Whitesell and certain UFC profits units may share in operating distributions if determined by the board of directors of UFC Parent. Messrs. Emanuel and Whitesell hold Zuffa profits units and Messrs. Lublin, Shapiro and Krauss hold UFC profits units.

Each WME Holdco profits unit entitles the holder, upon a sale or other specified capital transaction, to a portion of the profits and appreciation in the equity value of WME Holdco arising after the date of grant. Holders of WME Holdco profits units may share in operating distributions if determined by the executive committee of WME Holdco. Mr. Lublin holds WME Holdco profits units that are designated as "catch-up" units entitled to receive a preference on distributions once a certain distribution threshold is satisfied such that he receives the amount to which he would have been entitled in respect of such profits unit had such profits unit been a WME Holdco common unit.

The value of Endeavor Operating Company, UFC Parent or WME Holdco, as applicable, on the date of grant is referred to as the "distribution threshold" with respect to such award. If, in connection with a sale or other capital transaction, the value of Endeavor Operating Company, UFC Parent or WME Holdco, as applicable, does not exceed the distribution threshold applicable to a profits interest (whether designated as a "catch-up" unit or not), no payment will be made in respect of such profits interest.

Generally, the profits interests granted to our named executive officers have time-based vesting conditions, however, certain Endeavor profits units and Iris IV units also have performance-based vesting conditions that are generally tied to increases in the total equity value of Endeavor Operating Company. Messrs. Emanuel's and Whitesell's Zuffa profits units were fully vested upon grant, and Mr. Lublin's WME Holdco profits units became fully vested on July 1, 2018.

In addition to their profits interests, Messrs. Emanuel, Whitesell and Lublin hold WME Holdco common units that, in the case of Messrs. Emanuel and Whitesell, are still subject to time-based vesting conditions as described in the "Outstanding Equity Awards at 2018 Fiscal Year End." Mr. Lublin's WME Holdco common units became fully vested on July 1, 2018.

The profits interests are designed to align the interests of our named executive officers with other equityholders of Endeavor Operating Company, UFC Parent and WME Holdco, as applicable, by increasing the proprietary interest of our named executive officers in our growth and success, to advance our interests by attracting and retaining key employees and to motivate such executives to act in our long-term best interests.

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The size of each profits interest grant is generally set at a level that our board of directors, the board of directors of UFC Parent or the executive committee of WME Holdco, as applicable, deems appropriate to create a meaningful opportunity for equity ownership and to reflect the individual's position with us, the individual's potential for future responsibility and promotion, and past grants to individuals in comparable positions. No single factor is disproportionately weighted and all of the above considerations are addressed collectively in the determination of a named executive officer's profits interest grant. See "—Grants of Plan-Based Awards for Fiscal Year 2018" for a summary of grants made to our named executive officers in fiscal year 2018.

In connection with the renegotiation of their employment agreements in 2018, the Company made certain changes to the equity awards of Messrs. Lublin, Shapiro and Krauss as described below in "—Modifications to Employment and Equity Compensation Agreements in Fiscal Year 2018."

In connection with the renegotiation of his employment agreement in 2019, Mr. Emanuel was provided with additional eligibility to receive equity interests in the Endeavor Operating Company and Zuffa. In particular, Mr. Emanuel became eligible to receive awards of Endeavor profits units, or, following this offering, awards of Endeavor Group Holdings restricted stock or restricted stock units, in each case based on specified increases in the value of our business (the "Endeavor Future Award"). Upon achievement of the first valuation threshold, Mr. Emanuel will receive an award of "catch-up" Endeavor profits units with a value of $25 million (assuming catch-up is fully achieved), or if such achievement occurs in connection with or following this offering, an award of restricted stock or restricted stock units with a value of $28 million. Upon our achievement of each subsequent valuation threshold, Mr. Emanuel will receive an additional award of "catch-up" Endeavor profits units with a value of $12.5 million (assuming catch-up is fully achieved), or if such achievement occurs in connection with or following this offering, an award of restricted stock or restricted stock units with a value of $14 million. In addition, Mr. Emanuel became eligible to receive awards of Zuffa profits units, or, following an initial public offering of Zuffa, awards of the resulting entity's restricted stock or restricted stock units, in each case based on specified increases in the value of Zuffa (the "Zuffa Future Award"). Upon achievement of each valuation threshold, Mr. Emanuel will receive an award of "catch-up" Zuffa profits units with a value of $12.5 million (assuming catch-up is fully achieved), or if such achievement occurs in connection with or following an initial public offering of Zuffa , an award of the resulting entity's restricted stock or restricted stock units with a value of $14 million. If Mr. Emanuel's employment is terminated without cause or if he resigns for good reason, in each case, as defined in his most recently amended employment agreement, he is eligible to receive a prorated portion of any Endeavor Future Award and Zuffa Future Award, depending on the date of termination, based on the valuation of our or Zuffa's business, respectively, as of such date.

Further, in connection with such renegotiation, Zuffa also redeemed a portion of the Zuffa profits interests held by Mr. Emanuel for an aggregate redemption price equal to $24,358,558 and, on April 1, 2019, subsequently granted Mr. Emanuel 23,070.97 new "catch-up" Zuffa profits interests. Such new Zuffa profits interests are intended to maintain Mr. Emanuel's continued interest in the appreciation in value of Zuffa and entitle him to receive a preference on distributions once a certain distribution threshold is satisfied such that Mr. Emanuel receives the amount to which he would have been entitled in respect of such profits unit had such profits unit been granted at a lower distribution threshold.

Partner Agreements for Messrs. Lublin and Krauss

Messrs. Lublin and Krauss each entered into a letter agreement (a "Partner Agreement") with Endeavor Operating Company and certain Management Holdcos, pursuant to which the executive is entitled to make a one-time election in January 2021 to sell to Endeavor Operating Company up to $5,000,000 of his equity awards granted prior to the date of the Partner Agreement that have vested on or prior to such election, at their then-current fair market value; provided, that, at the time of the election the executive is employed and in good standing. Unless otherwise determined by Endeavor Operating Company, the Partner Agreements will terminate upon the consummation of this offering.

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LEGAL MATTERS

Latham & Watkins LLP, New York, New York, will pass on the validity of the Class A common stock offered by this prospectus for us. Ropes & Gray LLP, San Francisco, California, will pass upon certain legal matters in connection with the offering for the underwriters. Ropes & Gray LLP and some of its attorneys are limited partners of RGIP, LP, which is an investor in certain investment funds advised by Silver Lake Partners and sometimes a co-investor with such funds. Upon the consummation of the offering, RGIP, LP will directly or indirectly own less than 1% of the voting power of our outstanding voting shares.

EXPERTS

The balance sheet of Endeavor Group Holdings, Inc. as of March 31, 2019 included in this prospectus has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such balance sheet has been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of Endeavor Operating Company, LLC and its subsidiaries as of December 31, 2018 and December 31, 2017, and for each of the three years in the period ended December 31, 2018 included in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such consolidated financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of Zuffa Parent, LLC and its subsidiaries for the period from January 1, 2016 through August 17, 2016 included in this prospectus have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing herein (which report expresses an unmodified opinion on the financial statements and includes an emphasis of matter referring to the acquisition of Zuffa Parent, LLC by a buyer group). Such financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of Droga5, LLC and its subsidiaries as of December 31, 2018 and 2017, and for each of the two years in the period ended December 31, 2018, and as of December 31, 2017 and 2016, and for each of the two years in the period ended December 31, 2017 included in this prospectus have been audited by Friedman LLP, an independent auditor, as stated in their report appearing herein. Such consolidated financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

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Allocations of Purchase Price

The acquisitions were accounted for as business combinations and the fair values of the assets acquired and the liabilities assumed in the business combinations are as follows (in thousands):

	NeuLion	160over90
Cash and cash equivalents	$ 58,495	$ 3,757
Accounts receivable	15,196	17,441
Other current assets	780	6,012
Property and equipment	7,213	2,176
Other assets	522	1,916
Intangible assets:		
Trade names	6,600	19,300
Customer relationships	9,000	65,100
Internally developed software	36,400	—
Goodwill	164,030	156,056
Accounts payable and accrued expenses	(31,421)	(10,390)
Other current liabilities	(642)	—
Deferred revenue	(7,660)	(2,500)
Other liabilities	(9,625)	(9,610)
Net assets acquired	$248,888	$249,258

Other 2018 Acquisitions

The Company completed three other acquisitions during 2018 for a total purchase price of $19.5 million. The Company recorded $17.9 million of goodwill and intangible assets, of which the weighted average useful life ranges from 1.8 to 4.2 years. These acquisitions were not material in the aggregate.

2017 ACQUISITIONS

The Company completed four acquisitions during 2017 for a total purchase price of $19.8 million. The Company recorded $16.1 million of goodwill and intangible assets, of which the weighted average useful life ranges from 5.0 to 6.3 years. These acquisitions were not material in the aggregate.

2016 ACQUISITIONS

Zuffa

In August 2016, a buyer group that included the Company, affiliates of Silver Lake Partners, affiliates of Kohlberg Kravis Roberts & Co. L.P. (“KKR”) and certain other investors (including certain existing owners as rollover investors) (the “buyer group”) acquired 100% of the equity interests of Zuffa, LLC (“Zuffa”), the operating company of the Ultimate Fighting Championship (“UFC”), a Mixed Martial Arts (“MMA”) organization. The total purchase price was $4.1 billion, including contingent consideration of $224.4 million. The acquisition was financed through (i) approximately $1.5 billion in new common equity issued to the Company, Silver Lake Partners, KKR and certain other investors by Zuffa Parent, LLC (“Zuffa”), a limited liability company formed in connection with the acquisition which serves as the holding company for the buyer group, (ii) a rollover of common equity valued at $325.0 million by the existing owners, (iii) $360.0 million in new Zuffa preferred equity and (iv) $1.7 billion in net borrowings. The $360.0 million in new Zuffa preferred equity consists of 360,000 preferred units and warrants to purchase 53,087 of Zuffa’s Class A Common Units.

The Company’s portion of the total purchase price was $802.0 million, consisting of $600.0 million in cash and $202.0 million of contingent consideration, which provided the Company an interest of approximately 34% of the outstanding common equity of Zuffa. The Company had a controlling financial interest based on control of

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the Board. As such, the financial results of Zuffa have been consolidated in the Company's consolidated financial statements since the acquisition date. See Note 12 regarding the Company's purchase of additional common ownership interest in the year ended December 31, 2017.

The payment of the contingent consideration, which will not exceed $250.0 million, is based upon achievement of cumulative financial performance with the first payment due no earlier than June 30, 2017 and the second payment due no earlier than December 31, 2018. During the fourth quarter of 2017, the financial performance metric was achieved and payment of the first contingent consideration payment of $175.0 million was made. As of December 31, 2018, the second payment was not triggered but can be triggered at any time after December 31, 2018.

The buyer group incurred total transaction related costs of $57.0 million in connection with the acquisition of Zuffa. Total buyer group transaction related costs were included in selling, general and administrative expenses in the consolidated statement of operations.

The goodwill for the Zuffa acquisition was assigned to the Entertainment & Sports segment. Goodwill is primarily attributable to the go-to-market synergies that are expected to arise as a result of the acquisition and other intangible assets that do not qualify for separate recognition. The goodwill is deductible for tax purposes. The weighted average life of finite-lived intangible assets acquired is 11.2 years.

The results of Zuffa have been included in the consolidated financial statements since the date of acquisition. For the year ended December 31, 2016, Zuffa's consolidated revenue and net loss included in the consolidated statement of operations from the acquisition date were $341.6 million and $101.4 million, respectively.

Frieze and Fusion/IMG Live

In April 2016, the Company acquired 70% of the outstanding shares of Denmark Street Limited ("Frieze"), which is a media and events company that is comprised of four publications: Frieze Magazine, Frieze d/e, Frieze Masters Magazine, and Frieze Week; three international art fairs: Frieze London, Frieze New York, and Frieze Masters; and a program of courses and talks at Frieze Academy. Also, in April 2016, the Company acquired 100% of the outstanding shares of Fusion Performance Marketing, LLC, a Missouri LLC ("Fusion"), and Havoc Live, LLC, a Missouri LLC (together with Fusion, "Fusion/IMG Live"), which is a company that provides integrated experiential marketing and activation services (including, but not limited to, event planning and production, brand marketing/creative services, digital performance solutions and hospitality/travel), together with all operations and activities related thereto. Total purchase price for these two acquisitions was $89.3 million.

The goodwill for Frieze was assigned to the Entertainment & Sports segment and the goodwill for Fusion/IMG Live was assigned to the Representation segment. The goodwill for Frieze is not deductible for tax purposes. The goodwill for Fusion/IMG Live is deductible for tax purposes. The weighted average life of finite-lived intangible assets acquired for Frieze is 13.8 years. The weighted average life of finite-lived intangible assets acquired for Fusion/IMG Live is 10.0 years.

The results of Frieze and Fusion/IMG Live have been included in the consolidated financial statements since the dates of acquisition. For the year ended December 31, 2016, Frieze's and Fusion/IMG Live's consolidated revenue and net income included in the consolidated statement of operations from the acquisition dates were $106.0 million and $3.6 million, respectively.

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Allocations of Purchase Price

The acquisitions were accounted for as business combinations and the fair values of the assets acquired and the liabilities assumed in the business combinations are as follows (in thousands):

	Zuffa	Frieze and Fusion/IMG Live
Cash and cash equivalents	$ 97,600	$ 8,326
Accounts receivable	64,023	20,848
Deferred costs	—	2,764
Other current assets	10,155	7,260
Property and equipment	60,438	3,837
Other assets	24,139	92
Intangible assets:		
Trade names	703,500	21,018
Customer relationships	635,450	22,474
Internally developed software	6,800	—
Goodwill	2,600,421	75,761
Investments	18,900	—
Accounts payable and accrued expenses	(61,916)	(8,528)
Other current liabilities	(967)	—
Deferred revenue	(53,290)	(22,267)
Debt	(1,737,704)	(11,000)
Deferred income taxes	—	(9,302)
Other liabilities	(39,465)	(94)
Redeemable non-controlling interests	(19,430)	(21,847)
Non-controlling interests	(1,506,661)	—
Net assets acquired	$ 801,993	$ 89,342

Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information presents the Company's financial results as if the 2016 acquisition of Zuffa had occurred as of the beginning of the prior year. The unaudited pro forma financial information is not necessarily indicative of what the financial results actually would have been had the acquisition been completed on the earlier date. In addition, the unaudited pro forma financial information is not indicative of, nor does it purport to project, the Company's future financial results. The following unaudited pro forma financial information includes adjustments for property and equipment depreciation, intangible asset amortization, interest expense as a result of the acquisition and transaction costs incurred. The pro forma information does not give effect to any estimated and potential cost savings or other operating efficiencies that could result from the acquisition (in thousands):

	Year Ended December 31, 2016 (unaudited)
Revenue	$ 2,726,363
Net loss attributable to Endeavor Operating Company, LLC	(101,143)

2018 DIVESTITURE

In March 2018, the Company sold its 90% interest in WME BI, LLC, which owned the Viz Explorer business analytics software business, for $7.2 million in cash, a $20.0 million secured promissory note due 2021 and an equity interest in the purchaser. The equity interest in the purchaser is being accounted for as an equity investment without readily determinable fair value. The Company recorded a gain of $18.2 million on the sale, which is included in other (expense) income, net in the consolidated statement of operations.

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Investment in equity security with readily determinable fair value

The estimated fair value of the common shares in the Company's security with readily determinable fair value is based on observable inputs, which is a Level 1 measurement within the fair value hierarchy. During 2018, the remaining 70% or 2,789,899 of the common shares were transferred from Level 2 to Level 1 as these shares became unrestricted.

Contingent Consideration

The Company has recorded contingent consideration liabilities in connection with certain of its acquisitions, primarily Zuffa in 2016. Contingent consideration is included in current liabilities and other long-term liabilities in the consolidated balance sheet. Changes in fair value are recognized through equity earnings of affiliates for unconsolidated affiliates and selling, general and administrative expenses for consolidated subsidiaries. The estimated fair value of the contingent consideration is based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy.

The Zuffa contingent consideration is valued based on the earn-out provisions and payout structure of the transaction agreement. The valuation utilizes a Monte Carlo earnings before interest, tax, depreciation and amortization ("EBITDA") simulation analysis, which calculates the fair value of expected payments based on assumed EBITDA annual growth rates, time to payoff and discount rates. Significant increases (decreases) in EBITDA annual growth rates, assuming no change in discount rates, would result in a significantly higher (lower) fair value measurement. Significant decreases (increases) in discount rates, assuming no changes in EBITDA annual growth rates, would result in a significantly higher (lower) fair value measurement. The change in fair value associated with the Zuffa contingent consideration of $4.6 million, $25.6 million and $2.8 million was recognized in selling, general and administrative expenses in the consolidated statements of operations for the years ended December 31, 2016, 2017 and 2018, respectively. Additionally, during the fourth quarter of 2017, the financial performance metric was achieved triggering the first contingent consideration payment of $175.0 million.

The changes in the fair value of contingent consideration were as follows (in thousands):

	Years Ended December 31,	
	2017	**2018**
Balance at January 1	$ 247,705	$ 88,090
Acquisitions	2,530	16,070
Payments	(192,282)	(13,223)
Change in fair value	29,614	(1,768)
Foreign currency translation	523	(219)
Balance at December 31	$ 88,090	$ 88,950

Warrant Liability

In connection with the acquisition of Zuffa in 2016, Zuffa issued warrants to purchase 53,087 of Zuffa Parent's Class A Common Units in conjunction with Zuffa's issuance of preferred units. These warrants are classified as liabilities due to the warrant having a down-round adjustment feature. The Company used the Black-Scholes option pricing model to estimate the fair value of the warrants at December 31, 2017 and 2018, which is based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The Company is required to make certain assumptions with respect to selected model inputs. Expected volatility is based on comparable publicly traded companies' stock movements. The expected life of the warrants represents the period of time that the warrants are expected to be outstanding. The risk free interest rate is based on the U.S. treasury yield curve in effect at the time of grant. The expected volatility, the expected life, the risk free interest rate and the expected dividend yield used at December 31, 2017 were 35%, 4 years, 2.09% and 0.0%, respectively, while those used at December 31, 2018 were 35%, 3 years, 2.46% and 0.0%,

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respectively. The increase in fair value of the warrant liability of $6.4 million and $19.3 million for the years ended December 31, 2017 and 2018, respectively, were recognized as an expense in other (expense) income, net in the consolidated statements of operations.

Foreign Currency Derivatives

The Company classifies its foreign currency derivatives within Level 2 as the valuation inputs are based on quoted prices and market observable data of similar instruments (Note 9). As of December 31, 2018, the Company had $3.6 million in other current assets and $4.4 million in other current liabilities recorded in the consolidated balance sheet related to the Company's use of foreign currency derivatives. No amounts were recorded as of December 31, 2017.

Interest rate swap

The Company classifies its interest rate swap within Level 2 as the valuation inputs are based on quoted prices and market observable data of similar instruments (Note 9). The fair value of the swap was $2.4 million as of December 31, 2018, and was included in other long-term liabilities in the consolidated balance sheet. No amounts were recorded as of December 31, 2017.

11. DEBT

The following is a summary of outstanding debt (in thousands):

	December 31,	
	2017	**2018**
2014 Credit Facilities:		
First Lien Term Loan (due May 2021)	$2,474,867	$2,649,062
Second Lien Term Loan	300,000	—
Zuffa Credit Facilities:		
Zuffa First Lien Term Loan (due August 2023)	1,460,747	1,442,304
Zuffa Second Lien Term Loan (due August 2024)	425,000	425,000
Other debt (3.08%- 10.50% Notes due at various dates through 2028)	25,888	214,884
Total principal	4,686,502	4,731,250
Unamortized discount	(19,882)	(24,734)
Unamortized issuance costs	(79,075)	(64,503)
Total debt	4,587,545	4,642,013
Less: current portion	(35,047)	(97,928)
Total long-term debt	$4,552,498	$4,544,085

2014 Credit Facilities

On May 6, 2014, the Company entered into a credit agreement (the "2014 Credit Facilities") in connection with the acquisition of IMG. The 2014 Credit Facilities consist of (i) a first lien secured term loan credit agreement that provides for a seven-year $1.9 billion term loan at an annual interest rate of LIBOR+ 4.25% (with a LIBOR floor of 1%) (the "First Lien Term Loan") and a five-year $100.0 million revolving credit facility at an annual interest rate of LIBOR + 2.25% (the "Revolving Credit Facility") and (ii) an eight-year second lien credit agreement that provides for a $450.0 million secured term loan at LIBOR + 7.25% (with a LIBOR floor of 1%) (the "Second Lien Term Loan"). The Company incurred deferred financing costs in connection with the 2014 Credit Facilities of $68.0 million, which were recorded as a contra liability in the consolidated balance sheets.

Commencing on September 30, 2014, the First Lien Term Loan includes 1% principal amortization that is payable in equal quarterly installments, with any remaining balance payable on the final maturity date of May 6,

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2021. The Second Lien Term Loan is due on the final maturity date of May 6, 2022. Amounts under the Revolving Credit Facility are available to be borrowed and re-borrowed until its termination on May 6, 2019. As of December 31, 2017 and 2018, there was no outstanding balance under the Revolving Credit Facility. The Revolving Credit Facility accrues a commitment fee of 0.375-0.5% (0.25-0.5% after giving effect to the amendment in 2017) per annum on the unused balance.

In June and November 2016, the Company entered into incremental term loans of $300.0 million and $100.0 million, respectively, under the First Lien Term Loan as permitted by its 2014 Credit Facilities. The Company incurred aggregate financing costs in connection with these incremental term loans of approximately $4.7 million, which were recorded as a contra liability in the consolidated balance sheets. These incremental term loans have the same terms and conditions as the First Lien Term Loan.

In February 2017, the Company completed a refinancing of the First Lien Term Loan (the “Amended First Lien Term Loan”) reducing the annual interest rate 100 basis points to LIBOR + 3.25% (with a LIBOR floor of 1%). The Amended First Lien Term Loan maintains the same maturity date of May 6, 2021 and includes 1% principal amortization that is payable in equal quarterly installments, with any remaining balance payable at final maturity. With the exception of the new interest rate, the Amended First Lien Term Loan has similar terms and conditions to the First Lien Term Loan.

Additionally, in March 2017, the Company entered into an incremental term loan of $250.0 million under the Amended First Lien Term Loan as permitted by its 2014 Credit Facilities. The Company incurred financing costs in connection with this incremental term loan of approximately $2.4 million, which are recorded as a contra liability in the consolidated balance sheets. This incremental term loan has the same terms and conditions as the Amended First Lien Term Loan. Proceeds of $150.0 million were used to pay down a portion of the Second Lien Term Loan under the 2014 Credit Facilities.

In connection with the 2017 refinancing and the pay down, the Company wrote off an aggregate of approximately $2.1 million of unamortized debt discount and unamortized debt issuance costs, which are recorded to interest expense, net in the consolidated statement of operations.

In May 2018, the Company completed a refinancing of the First Lien Term Loan and Second Lien Term Loan (the “Amended First Lien Term Loan”), which resulted in increased borrowings of $306.4 million under the First Lien Term Loan and payment in full of the $300.0 million principal balance under the Second Lien Term Loan. The annual interest rate under the Amended First Lien Term Loan was reduced by 50 basis points to LIBOR + 2.75% and the maturity date of the Amended First Lien Term Loan was extended to May 18, 2025. The Amended First Lien Term Loan includes 1% principal amortization that is payable in equal quarterly installments, with any remaining balance payable at final maturity. With the exception of the new interest rate, the Amended First Lien Term Loan has similar terms and conditions to the First Lien Term Loan. Third-party transaction costs of $16.8 million were expensed.

Additionally, in May 2018, the Company completed a refinancing of the Revolving Credit Facility (the “Amended Revolving Credit Facility”) increasing amounts available for borrowing from $100.0 million to $200.0 million and extending the maturity date to May 18, 2023. Under the Amended Revolving Credit Facility, the First Lien Leverage Ratio requirements for achieving the best applicable revolver interest rate were adjusted from no more than 3.25-to-1 to no more than 4.0-to-1. With the exception of the revised interest rate requirements, the Amended Revolving Credit Facility has similar terms and covenants to the original Revolving Credit Facility.

The amended 2014 Credit Facilities contain a financial covenant that requires the Company to maintain a First Lien Leverage Ratio of Consolidated First Lien Debt to Consolidated EBITDA, as defined in the credit agreement, of no more than 7.5-to-1. The Company is only required to meet the First Lien Leverage Ratio if the sum of outstanding borrowings on the Revolving Credit Facility plus outstanding letters of credit exceeding $50.0 million that are not cash collateralized exceeds thirty-five percent (thirty percent prior to the refinancing

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completed in May 2018) of the total Revolving Commitments as measured on a quarterly basis, as defined in the credit agreement.

These covenants did not apply as of December 31, 2017 or 2018, as the Company did not utilize greater than thirty percent and thirty-five percent, respectively, of the borrowing capacity.

The Company had outstanding letters of credit under the 2014 Credit Facilities totaling $38.4 million and $35.9 million as of December 31, 2017 and 2018, respectively.

Zuffa Credit Facilities

In connection with the 2016 Zuffa acquisition, Zuffa entered into a first lien credit agreement (the "Zuffa First Lien Credit Agreement") and a second lien credit agreement (the "Zuffa Second Lien Credit Agreement"; together the "Zuffa Credit Facilities").

The Zuffa First Lien Credit Agreement consists of (i) a seven year secured term loan with an aggregate principal amount of $1.4 billion (the "Zuffa First Lien Term Loan") and (ii) a five year secured revolving credit facility in an aggregate principal amount of up to $150.0 million, letters of credit in an aggregate face amount not in excess of $40.0 million and swingline loans in an aggregate principal amount not in excess of $15.0 million (collectively, the "Zuffa Revolving Credit Facility"). The Zuffa Second Lien Credit Agreement consists of an eight year secured term loan with an aggregate principal amount of $425.0 million (the "Zuffa Second Lien Term Loan").

The Zuffa First Lien Term Loan bears interest at a rate of LIBOR + 4.0% (with a LIBOR floor of 1%). Commencing on December 31, 2016, the Zuffa First Lien Term Loan includes 1% principal amortization that is payable in quarterly installments with any remaining balance payable on the final maturity date of August 18, 2023. The Zuffa Second Lien Term Loan bears interest at the rate of LIBOR + 7.5% (with a LIBOR floor of 1%) and is payable and due on the final maturity date of August 18, 2024. Amounts under the Zuffa Revolving Credit Facility are available to be borrowed and re-borrowed until its termination on August 18, 2021. As of December 31, 2017 and 2018, there was no outstanding balance under the Zuffa Revolving Credit Facility. The Zuffa Revolving Credit Facility accrues a commitment fee of 0.25-0.5% per annum on the unused balance. The Zuffa Credit Facilities are secured by liens on substantially all of the assets of Zuffa.

Zuffa incurred financing costs in connection with the Zuffa Credit Facilities of approximately $54.7 million, which were recorded as a contra liability of $51.2 million and as a deferred cost of $3.5 million in the consolidated balance sheets.

In February 2017, Zuffa completed a refinancing of the Zuffa First Lien Term Loan (the "Amended Zuffa First Lien Term Loan") reducing the annual interest rate 75 basis points to LIBOR + 3.25% (with a LIBOR floor of 1%). The Zuffa Amended First Lien Term loan maintains the same maturity date of August 18, 2023 and includes 1% principal amortization that is payable in quarterly installments, with any remaining balance payable at final maturity. With the exception of the new interest rate, the Amended Zuffa First Lien Term Loan has similar terms and conditions to the Zuffa First Lien Term Loan.

Additionally, in April 2017, Zuffa entered into an incremental $100.0 million term loan under the Zuffa First Lien Term Loan as permitted by the Zuffa Credit Facilities. This incremental term loan has the same terms and conditions as the Zuffa First Lien Term Loan.

The Zuffa Credit Facilities contain a financial covenant that requires Zuffa to maintain a First Lien Leverage Ratio of Consolidated First Lien Debt to Consolidated EBITDA as defined in the credit agreement of no more than 7-to-1 and of no more than 6.5-to-1 beginning on December 31, 2018. Zuffa is only required to meet the First Lien Leverage Ratio if the sum of outstanding borrowings under the Zuffa Revolving Credit Facility plus outstanding letters of credit exceeding $10.0 million that are not cash collateralized exceeds thirty percent of the capacity of the Zuffa Revolving Credit Facility as measured on a quarterly basis, as defined in the credit agreement.

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These covenants did not apply as of December 31, 2017 or 2018, as Zuffa did not utilize greater than thirty percent of the borrowing capacity.

At December 31, 2017 and 2018, Zuffa had no outstanding letters of credit under the Zuffa Credit Facilities.

Other debt

Receivables Purchase Agreement

In December 2018, IMG Media Limited ("IMG UK") entered into a three year agreement to license certain sports broadcast rights to a customer. It also entered into an arrangement to monetize amounts invoiced under the agreement by transferring them to a third party on a nonrecourse basis. As IMG UK retained continuing involvement in the delivery of the invoiced services, the transferred amounts represent a sale of future revenue and were classified as debt. As of December 31, 2018, the debt outstanding under the arrangement was $115.2 million. The debt is accounted for under the effective interest method with principal reductions recognized as the Company performs under the rights agreement.

Endeavor Content Capital Facility

In June 2018, Endeavor Content Capital, LLC ("Endeavor Content Capital"), entered into a senior secured five-year $75.0 million revolving credit facility (the "Content Capital Facility"). The Content Capital Facility has an accordion feature to expand up to $250.0 million and matures on June 15, 2023.

The Content Capital Facility is being used by Endeavor Content Capital to finance the investment in and acquisition, development, production and exploitation of theatrical motion picture projects, television, digital programming and other associated projects. The Content Capital Facility is secured by a security interest in each respective financed project, a guaranty by the guarantor subsidiaries of Endeavor Content Capital, a pledge of any equity securities of associated investments, and a pledge of the equity in Endeavor Content Capital. Additionally, under the terms of the Content Capital Facility, the Company is required to hedge its foreign currency exposures on future production expenses denominated in foreign currencies.

As of December 31, 2018, Endeavor Content Capital has $5.9 million of borrowings outstanding and no letters of credit under the Content Capital Facility.

Zuffa Secured Commercial Loans

In October 2018, Zuffa entered into two loan agreements totaling $40.0 million to finance the purchase of a building and its adjacent land ("Zuffa Secured Commercial Loans"). The Zuffa Secured Commercial Loans have identical terms except one loan is secured by a deed of trust for the Zuffa's headquarters building and underlying land in Las Vegas and the other loan is secured by a deed of trust for the newly acquired building and its adjacent land, also located in Las Vegas. The Zuffa Secured Commercial Loans bear interest at a rate of LIBOR + 1.62% (with a LIBOR floor of 0.88%) and principal amortization of 4% is payable in monthly installments with any remaining balance payable on the final maturity date of November 1, 2028.

The Zuffa Secured Commercial Loans contain a financial covenant that requires Zuffa to maintain a Debt Service Coverage Ratio of consolidated debt to Adjusted EBITDA as defined in the loan agreements of no more than 1.15-to-1 as measured on an annual basis. As of December 31, 2018, Zuffa was in compliance with its financial debt covenant under the Zuffa Secured Commercial Loans.

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Debt Maturities

The Company will be required to repay the following principal amounts in connection with its debt obligations (in thousands):

	Years Ending December 31,
2019	$ 113,822
2020	100,786
2021	66,310
2022	46,573
2023	1,420,241
Thereafter	2,983,518
Total	$ 4,731,250

2014 Credit Facilities and Zuffa Credit Facilities

The 2014 Credit Facilities and the Zuffa Credit Facilities restrict the ability of certain subsidiaries of the Company to make distributions and other payments to the Company. These restrictions do include exceptions for, among other things, (1) amounts necessary to make tax payments, (2) a limited annual amount for employee equity repurchases, (3) distributions required to maintain parent entities, (4) other specific allowable situations and (5) a general restricted payment basket. As of December 31, 2017, Endeavor Operating Company, LLC holds cash of $291.2 million, short term deposits of $120.0 million and liabilities for prior acquisition consideration and equity buyback of $63.4 million and $88.0 million, respectively. As of December 31, 2018, Endeavor Operating Company, LLC holds cash of $0.2 million; liabilities for prior acquisition consideration, equity buyback and accrued distributions of $65.9 million, $43.5 million and $37.5 million, respectively; and liabilities and redeemable equity for unit put rights of $68.5 million. Otherwise, Endeavor Operating Company, LLC has no material separate cash flows or assets or liabilities other than the investments in its subsidiaries. All its business operations are conducted through its operating subsidiaries; it has no material independent operations. Endeavor Operating Company, LLC has no other material commitments or guarantees. As a result of the restrictions described above, substantially all of the subsidiaries' net assets are effectively restricted in their ability to be transferred to Endeavor Operating Company, LLC.

As of December 31, 2017 and 2018, the Company's 2014 Credit Facilities and Zuffa's Credit Facilities had an estimated fair value of $4.7 billion and $4.2 billion, respectively. The estimated fair values of the Company's 2014 Credit Facilities and Zuffa's Credit Facilities are based on quoted market values for the debt. Since the 2014 Credit Facilities and Zuffa's Credit Facilities do not trade on a daily basis in an active market, fair value estimates are based on market observable inputs based on quoted market prices and borrowing rates currently available for debt with similar terms and average maturities, which are classified as Level 2 under the fair value hierarchy.

12. MEMBERS' EQUITY

Pursuant to the terms of the Operating Agreement, the business and affairs of the Company are managed, operated, and controlled by a board of directors (the "Board"). Subject to the terms of the Operating Agreement, all voting power and management rights of the Company are vested in the Board. The Company has three principal classes of membership interests outstanding: Common Units (Class A), Profits Units and Investment Incentive Units. Other than the rights of Holdco and Silver Lake Partners to appoint the members of the Board (subject to certain ownership thresholds), the owners of the membership interests generally do not have voting rights.

As of December 31, 2017 and 2018, 100 Investment Incentive Units were issued and outstanding and held by Holdco, and represent preference amounts that would be allocated to Investment Incentive unitholders in a

sale of certain investments. No income has been allocated in respect of these Investment Incentive Units, as there have been no material sales of such investments underlying such Investment Incentive Units.

The debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, are solely attributable to the Company, and no member shall be personally obligated for any such debt, obligation or liability of the Company.

Common Units

The Company had 2,055,292,793 and 2,120,552,920 Class A Common Units issued and outstanding as of December 31, 2017 and 2018, respectively (including units that were issued effective first quarter of 2018 and 2019 in respect of certain distributions relating to 2017 and 2018, respectively). The Class A Common Units are held by Holdco, Silver Lake Partners, and other investors. The Class A Common Units have no par value assigned to them.

During the years ended December 31, 2016, 2017 and 2018, the Company issued Class A Common Units for cash investments as follows (dollar amounts in thousands):

	Years Ended December 31,		
	2016	2017	2018
Class A Common Units issued	234,540,961	508,214,778	170,160,524
Cash contributions	$ 481,750	$ 1,264,081	$ 425,000

During the years ended December 31, 2016, 2017 and 2018, total costs incurred for the equity issuances were $6.8 million, $3.2 million and $12.3 million, respectively, which were netted against the proceeds received.

In June 2018, the Company repurchased and cancelled 127,978,520 Class A Common Units from an investor for a total price of $319.6 million, which was based on the fair value of the units.

Additionally, during the year ended December 31, 2017, the Company repurchased and cancelled 142,213,654 vested Class A Common Units and Profits Units from certain senior executives for an aggregate purchase price of $330.0 million, which was based on the fair value of the units. Of the total units repurchased, 55,520,912 were Class A Common Units.

Profits Units

The Company has 317,336,645 and 315,115,621 Profits Units issued and outstanding as of December 31, 2017 and 2018, respectively. Other than certain Profits Units held by key executives, Profits Units are not entitled to participate in operating distributions unless otherwise elected by the Board. Certain Profits Units are designated as Catch-Up Profits Units and are entitled to certain “catch up” distributions once the distribution threshold applicable to such Catch-Up Profits Units has been met. All Profits Units have no par value assigned to them.

As noted above, the Company repurchased 142,213,654 vested Class A Common Units and Profits Units from certain senior executives during the year ended December 31, 2017. Of the total units repurchased, 86,692,742 were Profits Units.

Non-controlling Interests

During the year ended December 31, 2017, the Company purchased additional common ownership interests in Zuffa by, both directly and indirectly, purchasing the Class B Common Units of certain existing equity holders of Zuffa for $373.7 million, which included the Company exercising its call option to purchase a portion of a rollover seller’s Class B Common Units for $18.8 million (Note 13). These transactions were accounted for as

equity transactions with non-controlling interests and accordingly, no gain or loss was recognized in the Company's consolidated statement of operations. The carrying amount of the respective non-controlling interest was adjusted to reflect the change in ownership interest. The difference between the fair value of the consideration paid and the amount by which the non-controlling interests was adjusted, which total $112.8 million, was recognized in the Company's members' equity. After giving effect to these transactions, the Company's common ownership interest in Zuffa is 50.1%.

As part of the acquisition of Zuffa in August 2016, Zuffa issued preferred equity in the form of Class P Units. The holders of Class P Units are entitled to a cumulative distribution at an annual rate of 13.0%, payable quarterly in arrears by compounding to the liquidation preference (the "preferred return"). The holders of the Class P Units have the option after the fifth anniversary to switch the rate of the preferred return from the fixed rate of 13.0% to a floating rate of 10.0% plus the five year treasury rate. The fixed rate of 13.0% and the fixed portion of the floating rate of 10.0% increases incrementally by 1.0% after the seventh anniversary, 1.0% after the eighth anniversary and 0.5% after the ninth anniversary. After the third, fourth and fifth anniversary, the Company may elect to redeem any or all of the outstanding Class P Units at an amount per unit equal to the then current liquidation preference plus a redemption premium of 105%, 102.5%, and 100%, respectively. During the period from acquisition to December 31, 2016 and for the years ended December 31, 2017 and 2018, the Company recorded the cumulative preferred return of $17.3 million, $51.0 million and $57.5 million, respectively, to members' equity in the consolidated balance sheets.

Equity Buyback

During the year ended December 31, 2017, the Company completed a unit buyback, which was approved by the Board. The buyback included a repurchase of 103,551,945 total vested Class A Common Units and Profits Units for $149.0 million, which was based on the fair value of the units. The Company recorded $70.2 million to equity and $69.6 million to equity-based compensation expense during the year ended December 31, 2017. The payments under the unit buyback were primarily paid in three equal installments with payments made in March 2017, first quarter of 2018 and first quarter of 2019. As of December 31, 2018, the Company's short-term liability for the remaining third payment due under the unit buyback was $43.5 million, which was recorded as other current liabilities in the consolidated balance sheet.

13. REDEEMABLE NON-CONTROLLING INTERESTS

China

In June 2016, the Company received a contribution of $75.0 million from third parties in a newly formed subsidiary of the Company that was formed to expand the Company's existing business in China. Costs incurred for this contribution were $6.9 million and were recognized as a reduction of the proceeds. This contribution gave the non-controlling interests holders approximately 34% ownership of the subsidiary. The holders of the non-controlling interests have the right to put their investment to the Company at any time following the sixth anniversary of the investment for fair market value. As of December 31, 2017 and 2018, the estimated redemption value was $123.0 million and $118.3 million, respectively.

In March 2018, the Company entered into an agreement for an additional contribution in its existing subsidiary in China. The total additional contribution is $125.0 million, of which $12.5 million is the Company's funding obligation and $112.5 million is the existing non-controlling interests' funding obligation. This contribution will be funded if and when called by the board of directors of the subsidiary; however, if the full funding has not been called by September 2019, any remaining portion of the $125.0 million investment will be funded at that time.

Zuffa

In July 2018, the Company received a contribution of $9.7 million by third parties (the "Russia Co-Investors") in a newly formed subsidiary of the Company (the "Russia Subsidiary") that was formed to expand

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the Company's existing business in Russia and certain other countries in the Commonwealth of Independent States. The terms of this contribution provide the Russia Co- Investors with a put option to sell their ownership in the Russia Subsidiary five years and six months after the consummation of the contribution. The purchase price of the put option is the greater of the total investment amount, defined as the Russia Co-Investors' cash contributions less cash distributions, or fair value. As of December 31, 2018, the estimated redemption value was $9.7 million.

In connection with the acquisition of Zuffa in 2016, the terms of the Zuffa operating agreement provided a rollover seller with a put option to sell $15.0 million of their ownership of Zuffa's Class B Common Units two years after the consummation of the purchase agreement. The Company also had a call option to buy this ownership one year after the consummation of the purchase agreement. The purchase price of the options was equal to $15.0 million plus a 15% annual internal rate of return for the put option and a 25% internal rate of return for the call option. In August 2017, the Company exercised its call option for $18.8 million (Note 12).

Frieze

In connection with the acquisition of Frieze in 2016, the terms of the agreement provide the sellers with a put option to sell their remaining 30% interest after fiscal year 2020. The Company also has a call option to buy the remaining 30% interest after fiscal year 2020 or upon termination of employment of the sellers who continued to be employees of Frieze after the acquisition. The price of the put and call option is equal to Frieze's prior year's EBITDA multiplied by 7.5, which is estimated at $16.4 million and $15.9 million as of December 31, 2017 and 2018, respectively.

14. EQUITY-BASED COMPENSATION

The Board grants various awards to certain employees and service providers for their time and commitment to the Company. The awards are designed to share in the equity value appreciation of the Company and are granted under various plans either directly by the Company, a Company subsidiary or indirectly through various management holdco entities. Awards granted are in the form of common units, profits units or an equivalent to a profits unit (membership interest or phantom unit) that corresponds to common units or profits units as applicable. Additionally, the boards of certain consolidated subsidiaries grant awards through plans in the form of profits units or phantom units that corresponds to profits units, designed to share in the equity value appreciation of each respective subsidiary.

The following table summarizes the Company's plans, entities and awards authorized as of December 31, 2018:

Plan	Entities	Awards	Total Units Authorized As of December 31, 2018
Management Awards	WME Iris Management Holdco, LLC WME Iris Management Holdco II, LLC WME Iris Management III Holdco, LLC WME Iris Management IV Holdco, LLC WME Iris Management V Holdco, LLC	Profits Units & Phantom Units	348,176,864
SCP Awards	WME IMG SCP, LLC	Profits Units & Phantom Units	20,763,316
WME Holdco Awards	WME Holdco, LLC	Membership Units, Profits Units & Phantom Units	665,247,103
UFC Management Awards	UFC Management Holdco, LLC	Profits Units & Phantom Units	216,254

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that the outcome will be unfavorable and the amount, or potential range, of loss can be reasonably estimated. While any outcome related to litigation or such governmental proceedings cannot be predicted with certainty, management believes that the outcome of these matters, including those discussed below, individually or in the aggregate, will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

An employee of the Company is one of several individuals and entities named in a complaint by India's Director of Enforcement ("DE"), initially filed in January 2015, alleging violations of the Foreign Exchange Management Act ("FEMA"). The complaint alleges that the employee participated as an advisor in a series of transactions in 2009 that were completed by and on behalf of a client, the Board of Control for Cricket in India (the "BCCI"), and that contravened two provisions of FEMA. The subject transactions were pursued under the direction and control of one of the BCCI's board members. The Company is not alleged to have possessed any funds improperly or to have made or received any of the payments that are alleged to have violated FEMA. The Company is cooperating with the DE's investigation which, at present, is in its early stages.

In July 2017, the Italian Competition Authority issued a decision opening an investigation into alleged breaches of competition law in Italy, involving inter alia IMG, and relating to bidding for certain media rights of the Serie A and Serie B football leagues. In April 2018, the European Commission conducted on-site inspections at a number of companies that are involved with sports media rights, including the Company. The inspections are a part of an ongoing investigation into the sector and into potential violations of certain antitrust laws that may have taken place within it. The Company is currently investigating these matters and is cooperating with regulators with respect to their investigations. The Company may be subject in the future to civil, regulatory and other claims with respect to these matters.

Zuffa has five related class-action lawsuits filed against it in the United States District Court for the Northern District of California between December 2014 and March 2015 by a total of eleven former UFC fighters. The complaints in the five lawsuits are substantially identical. Each alleges that Zuffa violated Section 2 of the Sherman Act by monopolizing the alleged market for the promotion of elite professional MMA bouts and monopolizing the alleged market for elite professional MMA Fighters' services. Plaintiffs claim that Zuffa's alleged conduct injured them by artificially depressing the compensation they received for their services and their intellectual property rights, and they seek treble damages under the antitrust laws, as well as attorneys' fees and costs, and injunctive relief. The Company believes the lawsuits are meritless and therefore intends to defend itself vigorously against the allegations in the complaints.

20. RELATED PARTY TRANSACTIONS

The Company has the following total related party transactions as of December 31, 2017 and 2018 and for the years ended December 31, 2016, 2017 and 2018 (in thousands):

	December 31, 2017	December 31, 2018
Other current assets	$11,072	$56,288
Other assets	—	1,400
Other current liabilities	3,608	10,632

	Years Ended December 31, 2016	2017	2018
Revenue	$23,344	$31,809	$21,782
Direct operating costs	9,726	14,068	6,543
Selling, general and administrative expenses	313	3,307	11,887

As of December 31, 2018, the Company has an equity-method investment in EuroLeague Ventures S.A. ("EuroLeague"), a related party. The Company is paid a management fee to compensate it for representation and

technical services it provides to EuroLeague in relation to the distribution of media rights. The Company also provides production services to EuroLeague for an additional fee. For the years ended December 31, 2016, 2017 and 2018, the Company recognized revenue of $2.5 million, $12.5 million and $15.8 million, respectively. In addition, the Company procures a license for gaming rights from EuroLeague. For the years ended December 31, 2016, 2017 and 2018, the Company recognized direct operating costs of $1.4 million, $3.4 million and $2.6 million, respectively. At December 31, 2017 and 2018, the Company had a receivable of $1.6 million and $5.9 million, respectively, and a payable of $2.6 million and $3.1 million, respectively.

Prior to December 31, 2017, the Company had an equity-method investment in PGA European Tour Productions Ltd. ("ETP"), a related party. Effective as of December 31, 2017, the Company sold its 50% interest in ETP to PGA European Tour ("PGAET"). The Company and PGAET also entered into a 20 year agreement effective January 1, 2018 in which ETP engaged the Company to produce and deliver audio-visual content in respect of certain PGAET events, to act as a sales and marketing agent for certain PGAET and ETP media rights and to provide certain betting-related services to the PGAET and ETP. Prior to the sale, the Company was paid a management fee to compensate it for production and distribution services it provided to ETP for the PGAET. In addition, any costs incurred by the Company on behalf of ETP were recharged to and fully reimbursed by ETP. For the years ended December 31, 2016 and 2017, the Company recognized revenue of $15.4 million and $14.5 million, respectively. In addition, the Company procured production services from ETP. For the years ended December 31, 2016 and 2017, the Company recognized direct operating costs of $2.9 million and $3.8 million, respectively.

The Company has a contingent consideration liability pertaining to Zuffa (Note 10), of which $6.3 million and $6.6 million is due to an officer of Zuffa as of December 31, 2017 and 2018, respectively.

As of December 31, 2018, the Company has an equity-method investment in Learfield IMG College (Note 4), in which Learfield IMG College owes the Company $39.7 million for a working capital adjustment from the merger.

21. SUBSEQUENT EVENTS

Subsequent events were evaluated through April 3, 2019, the date the consolidated financial statements were originally issued, and April 30, 2019, as it relates to the sale of Droga5 and the amendment of the Zuffa First Lien Credit Agreement and Revolving Credit Facility.

In January 2019, the Company issued and sold 160,151,081 Class A Common Units to certain current investors for total capital contributions of $470.0 million. Additionally, the Company repurchased and cancelled 160,151,081 Class A Common Units from an investor for a total price of $475.0 million.

In March 2019, Zuffa redeemed 23,070.97 vested Profits Units from a senior executive for an aggregate purchase price of $24.4 million, which was based on the fair value of the units.

In March 2019, the Company extended a contract with The Walt Disney Company's Direct-to-Consumer and International segment and ESPN ("ESPN") for the exclusive license to media rights in the United States by two years making the revised term of the agreement January 1, 2019 to December 31, 2025. The Company also entered into a new contract where ESPN becomes the exclusive distributor of residential pay-per-view events in the United States through their direct-to-consumer subscription streaming service ESPN+ for a fixed license fee. The term of this agreement is April 1, 2019 to December 31, 2025.

In March 2019, the Company and other owners of Droga5 signed a definitive agreement to sell their interests in Droga5 to Accenture LLP for approximately $233 million, subject to customary adjustments such as working capital adjustments. The sale closed on April 30, 2019, and at closing, the Company received cash consideration of $206.8 million, which amount is subject to customary (but upward only) post-closing adjustments, including for the release of escrows.

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In April 2019, the Company amended the Zuffa First Lien Credit Agreement to incur $435.0 million of additional term loans and to extend the maturity to April 29, 2026. In addition, the Company amended the Zuffa Revolving Credit Facility to increase the revolving commitments by $12.8 million and to extend the maturity to April 29, 2024. The proceeds of the additional term loans were used to repay in full the $425.0 million Zuffa Second Lien Term Loan.

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Contingent Consideration

The Company has recorded contingent consideration liabilities in connection with its acquisitions, primarily Zuffa Parent, LLC ("Zuffa") in 2016. Contingent consideration is included in current liabilities and other long-term liabilities in the consolidated balance sheets. Changes in fair value are recognized in selling, general and administrative expenses. The estimated fair value of the contingent consideration is based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy.

The Zuffa contingent consideration is valued based on the earn-out provisions and payout structure of the transaction agreement. The valuation utilizes a Monte Carlo earnings before interest, tax, depreciation and amortization ("EBITDA") simulation analysis, which calculates the fair value of expected payments based on assumed EBITDA annual growth rates, time to payoff and discount rates. Significant increases (decreases) in EBITDA annual growth rates, assuming no change in discount rates, would result in a significantly higher (lower) fair value measurement. Significant decreases (increases) in discount rates, assuming no changes in EBITDA annual growth rates, would result in a significantly higher (lower) fair value measurement. The change in fair value associated with the Zuffa contingent consideration of $0.4 million and $0.5 million was recognized in selling, general and administrative expenses in the consolidated statements of operations for the three months ended March 31, 2018 and 2019, respectively.

The changes in the fair value of contingent consideration were as follows (in thousands):

Balance at December 31, 2018	$ 88,950
Payments	(98)
Change in fair value	1,260
Foreign currency translation	2
Balance at March 31, 2019	$ 90,114

Foreign Currency Derivatives

The Company classifies its foreign currency derivatives within Level 2 as the valuation inputs are based on quoted prices and market observable data of similar instruments (Note 8). As of December 31, 2018 and March 31, 2019, the Company had $3.6 million and $1.8 million in other current assets, respectively, and $4.4 million and $29.3 million in other current liabilities, respectively, recorded in the consolidated balance sheets related to the Company's foreign currency derivatives.

Interest Rate Swap

The Company classifies its interest rate swap within Level 2 as the valuation inputs are based on quoted prices and market observable data of similar instruments (Note 8). The fair value of the swap was $2.4 million and $3.2 million as of December 31, 2018 and March 31, 2019, respectively, and was included in other long-term liabilities in the consolidated balance sheets.

Warrant Liability

In connection with the acquisition of Zuffa, Zuffa issued warrants to purchase 53,087 of Zuffa Parent's Class A Common Units in conjunction with Zuffa's issuance of preferred units. These warrants were classified as liabilities as of December 31, 2018 due to the warrants having a down-round adjustment feature. The Company used the Black-Scholes option pricing model to estimate the fair value of the warrants which is based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The change in fair value of the warrant liability of $0.4 million for the three months ended March 31, 2018 was recognized as an expense in other income (expense), net in the consolidated statement of operations. Upon the adoption of ASU 2017-11 (Note 3), the Company reclassified the warrant liability from liability to members' equity by recording a cumulative transition

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adjustment of $12.2 million to retained earnings (members' capital) and $27.6 million to nonredeemable non-controlling interests.

10. DEBT

The following is a summary of outstanding debt (in thousands):

	December 31, 2018	March 31, 2019
2014 Credit Facilities:		
First Lien Term Loan (due May 2021)	$ 2,649,062	$2,642,124
Zuffa Credit Facilities:		
Zuffa First Lien Term Loan (due August 2023)	1,442,304	1,438,615
Zuffa Second Lien Term Loan (due August 2024)	425,000	425,000
Other debt (3.08%-10.50% Notes due at various dates through 2028)	214,884	197,233
Total principal	4,731,250	4,702,972
Unamortized discount	(24,734)	(23,114)
Unamortized issuance costs	(64,503)	(61,401)
Total debt	4,642,013	4,618,457
Less: current portion	(97,928)	(93,292)
Total long-term debt	$ 4,544,085	$4,525,165

2014 Credit Facilities

The financial debt covenants of the 2014 Credit Facilities did not apply as of December 31, 2018 and March 31, 2019, as the Company did not utilize greater than thirty-five percent of the borrowing capacity.

The Company had outstanding letters of credit under the 2014 Credit Facilities totaling $35.9 million and $34.9 million as of December 31, 2018 and March 31, 2019, respectively.

Zuffa Credit Facilities

The financial debt covenants of the Zuffa Credit Facilities did not apply as of December 31, 2018 and March 31, 2019, as Zuffa did not utilize greater than thirty percent of the borrowing capacity.

Zuffa had no outstanding letters of credit as of December 31, 2018 or March 31, 2019 under the Zuffa Credit Facilities.

Other Debt

Receivables Purchase Agreement

As of December 31, 2018 and March 31, 2019, the debt outstanding under the arrangement was $115.2 million and $103.1 million, respectively.

Endeavor Content Capital Facility

As of December 31, 2018 and March 31, 2019, Endeavor Content Capital has $5.9 million of borrowings outstanding and no outstanding letters of credit under the Content Capital Facility.

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Zuffa Secured Commercial Loans

As of December 31, 2018 and March 31, 2019, Zuffa was in compliance with its financial debt covenant under the Zuffa Secured Commercial Loans.

2014 Credit Facilities and Zuffa Credit Facilities

The 2014 Credit Facilities and the Zuffa Credit Facilities restrict the ability of certain subsidiaries of the Company to make distributions and other payments to the Company. These restrictions do include exceptions for, among other things, (1) amounts necessary to make tax payments, (2) a limited annual amount for employee equity repurchases, (3) distributions required to maintain parent entities, (4) other specific allowable situations and (5) a general restricted payment basket. As of December 31, 2018, Endeavor Operating Company, LLC held cash of $0.2 million; liabilities for prior acquisition consideration, equity buyback and accrued distributions of $65.9 million, $43.5 million and $37.5 million, respectively; and liabilities and redeemable equity for unit put rights of $68.5 million. As of March 31, 2019, Endeavor Operating Company, LLC held cash of $0.0 million; liabilities for prior acquisition consideration of $66.4 million; and liabilities and redeemable equity for unit put rights of $68.5 million. Otherwise, Endeavor Operating Company, LLC has no material separate cash flows or assets or liabilities other than the investments in its subsidiaries. All its business operations are conducted through its operating subsidiaries; it has no material independent operations. Endeavor Operating Company, LLC has no other material commitments or guarantees. As a result of the restrictions described above, substantially all of the subsidiaries' net assets are effectively restricted in their ability to be transferred to Endeavor Operating Company, LLC.

As of December 31, 2018 and March 31, 2019, the Company's 2014 Credit Facilities and Zuffa's Credit Facilities had an estimated fair value of $4.2 billion and $4.4 billion, respectively. The estimated fair values of the Company's 2014 Credit Facilities and Zuffa's Credit Facilities are based on quoted market values for the debt. Since the 2014 Credit Facilities and Zuffa's Credit Facilities do not trade on a daily basis in an active market, fair value estimates are based on market observable inputs based on quoted market prices and borrowing rates currently available for debt with similar terms and average maturities, which are classified as Level 2 under the fair value hierarchy.

11. MEMBERS' EQUITY

Common Units

The Company had 2,120,552,920 and 2,115,590,155 Class A Common Units issued and outstanding as of December 31, 2018 and March 31, 2019, respectively (for 2018, including units that were issued effective first quarter of 2019 in respect of certain distributions relating to 2018). The Class A Common Units are held by Holdco, Silver Lake Partners, and other investors. The Class A Common Units have no par value assigned to them.

In January 2019, the Company issued and sold 160,151,081 Class A Common Units to certain current investors for total capital contributions of $470.0 million. Additionally, the Company repurchased and cancelled 160,151,081 Class A Common Units from an investor for a total price of $475.0 million. The incremental $5.0 million payment was recorded to other income (expense), net in the consolidated statement of operations for the three months ended March 31, 2019.

Profits Units

The Company had 315,115,621 and 314,083,649 Profits Units issued and outstanding as of December 31, 2018 and March 31, 2019, respectively. Other than certain Profits Units held by key executives, Profits Units are not entitled to participate in operating distributions unless otherwise elected by the Board. Certain Profits Units are designated as Catch-Up Profits Units and are entitled to certain "catch up" distributions once the distribution threshold applicable to such Catch-Up Profits Units has been met. All Profits Units have no par value assigned to them.

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12. REDEEMABLE NON-CONTROLLING INTERESTS

China

In June 2016, the Company received a contribution of $75.0 million from third parties in a newly formed subsidiary of the Company that was formed to expand the Company's existing business in China. Costs incurred for this contribution were $6.9 million and were recognized as a reduction of the proceeds. This contribution gave the non-controlling interests holders approximately 34% ownership of the subsidiary. The holders of the non-controlling interests have the right to put their investment to the Company at any time following the sixth anniversary of the investment for fair market value. As of December 31, 2018 and March 31, 2019, the estimated redemption value was $118.3 million.

Zuffa

In July 2018, the Company received a contribution of $9.7 million from third parties (the "Russia Co-Investors") in a newly formed subsidiary of the Company (the "Russia Subsidiary") that was formed to expand the Company's existing business in Russia and certain other countries in the Commonwealth of Independent States. The terms of this contribution provide the Russia Co-Investors with a put option to sell their ownership in the Russia Subsidiary five years and six months after the consummation of the contribution. The purchase price of the put option is the greater of the total investment amount, defined as the Russia Co-Investors' cash contributions less cash distributions, or fair value. As of December 31, 2018 and March 31, 2019, the estimated redemption value was $9.7 million.

Frieze

In connection with the acquisition of Frieze in 2016, the terms of the agreement provide the sellers with a put option to sell their remaining 30% interest after fiscal year 2020. The Company also has a call option to buy the remaining 30% interest after fiscal year 2020 or upon termination of employment of the sellers who continued to be employees of Frieze after the acquisition. The price of the put and call option is equal to Frieze's prior year's EBITDA multiplied by 7.5. As of December 31, 2018 and March 31, 2019, the estimated redemption value was $15.9 million and $11.1 million, respectively.

13. EQUITY-BASED COMPENSATION

In March 2019, Zuffa redeemed 23,070.97 vested Zuffa Profits Units from a senior executive for an aggregate purchase price of $24.4 million, which was based on the fair value of the units.

In March 2019, the Company issued equity-based compensation awards in the Company and in Zuffa to a senior executive (each a "Future Incentive Award"). The Future Incentive Awards are each based on achievement of various equity value thresholds of the Company and of Zuffa. The senior executive has a right to earn these awards through the term of his employment agreement, which expires on December 31, 2028.

Upon achieving the first equity value threshold of the Company, the senior executive will receive Catch-Up Profits Units (as defined in the award agreement) with a notional value equal to $25.0 million or restricted stock or restricted stock units valued at $28.0 million if an initial public offering ("IPO") of the Company has occurred. For subsequent equity value thresholds of the Company, the senior executive will receive awards with a notional value equal to $12.5 million or, if an IPO of the Company has occurred, $14.0 million. Upon achieving each of the Zuffa equity value thresholds, the senior executive will receive awards as defined in the agreement with a notional value equal to $12.5 million or, if an IPO of Zuffa has occurred, $14.0 million. Upon achievement of each equity value threshold, the award will be granted with one third of the award vesting on the grant date, one third on the first anniversary of the grant date and the remaining one third on the second anniversary of the grant date. The Company used a Monte Carlo simulation model to determine the fair value and the derived service periods of these Future Incentive Awards. For the three months ended March 31, 2019, the Company recorded $1.0 million in equity-based compensation with a corresponding long-term liability in its consolidated balance sheet.

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As of March 31, 2019, the Company has additional operating leases that have not yet commenced with future minimum lease payments of approximately $37.0 million that will commence in 2019 with lease terms of 2 to 10 years.

18. COMMITMENTS AND CONTINGENCIES

Claims and Litigation

The Company is involved in legal proceedings, claims and governmental investigations arising in the normal course of business. The types of allegations that arise in connection with such legal proceedings vary in nature, but can include contract, employment, tax and intellectual property matters. The Company evaluates all cases and records liabilities for losses from legal proceedings when the Company determines that it is probable that the outcome will be unfavorable and the amount, or potential range, of loss can be reasonably estimated. While any outcome related to litigation or such governmental proceedings cannot be predicted with certainty, management believes that the outcome of these matters, including those discussed below, individually or in the aggregate, will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

An employee of the Company is one of several individuals and entities named in a complaint by India's Director of Enforcement ("DE"), initially filed in January 2015, alleging violations of the Foreign Exchange Management Act ("FEMA"). The complaint alleges that the employee participated as an advisor in a series of transactions in 2009 that were completed by and on behalf of a client, the Board of Control for Cricket in India (the "BCCI"), and that contravened two provisions of FEMA. The subject transactions were pursued under the direction and control of one of BCCI's board members. The Company is not alleged to have possessed any funds improperly or to have made or received any of the payments that are alleged to have violated FEMA. The Company is cooperating with the DE's investigation which, at present, is in its early stages.

In July 2017, the Italian Competition Authority ("ICA") issued a decision opening an investigation into alleged breaches of competition law in Italy, involving inter alia IMG, and relating to bidding for certain media rights of the Serie A and Serie B football leagues. In April 2018, the European Commission conducted on-site inspections at a number of companies that are involved with sports media rights, including the Company. The inspections are a part of an ongoing investigation into the sector and into potential violations of certain antitrust laws that may have taken place within it. In May 2019, the ICA completed its investigation and fined the Company approximately EUR 0.3 million. As part of its decision, the ICA acknowledged the Company's cooperation and ongoing compliance efforts since the investigation commenced. The Company is currently investigating the remaining matters and is cooperating with regulators with respect to their investigations. The Company may be subject in the future to civil, regulatory and other claims with respect to these matters.

Zuffa has five related class-action lawsuits filed against it in the United States District Court for the Northern District of California between December 2014 and March 2015 by a total of eleven former UFC fighters. The complaints in the five lawsuits are substantially identical. Each alleges that Zuffa violated Section 2 of the Sherman Act by monopolizing the alleged market for the promotion of elite professional MMA bouts and monopolizing the alleged market for elite professional MMA Fighters' services. Plaintiffs claim that Zuffa's alleged conduct injured them by artificially depressing the compensation they received for their services and their intellectual property rights, and they seek treble damages under the antitrust laws, as well as attorneys' fees and costs, and injunctive relief. The Company believes the lawsuits are meritless and therefore intends to defend itself vigorously against the allegations in the complaints.

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19. RELATED PARTY TRANSACTIONS

The Company has the following related party transactions as of December 31, 2018 and March 31, 2019 and for the three months ended March 31, 2018 and 2019 (in thousands):

	December 31, 2018	March 31, 2019
Other current assets	$ 56,288	$ 56,619
Other assets	1,400	1,400
Other current liabilities	10,632	11,190

	Three Months Ended March 31,	
	2018	2019
Revenue	$4,980	$6,584
Direct operating costs	1,814	2,077
Selling, general and administrative expenses	8,918	1,300

As of March 31, 2019, the Company has an equity-method investment in EuroLeague Ventures S.A. ("EuroLeague"), a related party. The Company is paid a management fee to compensate it for representation and technical services it provides to EuroLeague in relation to the distribution of media rights. The Company also provides production services to EuroLeague for an additional fee. For the three months ended March 31, 2018 and 2019, the Company recognized revenue of $4.1 million and $4.6 million, respectively. In addition, the Company procures a license for gaming rights from EuroLeague. For the three months ended March 31, 2018 and 2019, the Company recognized cost of revenue of $1.4 million and $1.4 million, respectively. As of December 31, 2018 and March 31, 2019, the Company had a receivable of $5.9 million and $5.0 million, respectively, and a payable of $3.1 million and $1.8 million, respectively.

The Company has a contingent consideration liability pertaining to Zuffa (Note 9), of which $6.6 million is due to an officer of Zuffa as of December 31, 2018 and March 31, 2019.

The Company has an equity method investment in Learfield IMG College (Note 4), in which Learfield IMG College owes the Company $39.7 million and $44.0 million as of December 31, 2018 and March 31, 2019, respectively, primarily for a working capital adjustment from the merger. Subsequent to March 31, 2019, Learfield IMG College paid $42.6 million of this receivable.

20. SUBSEQUENT EVENTS

Subsequent events were evaluated through May 23, 2019, which is the date the consolidated financial statements were available for issuance.

In April 2019, the Company amended the Zuffa First Lien Credit Agreement to incur $435.0 million of additional term loans and to extend the maturity to April 29, 2026. In addition, the Company amended the Zuffa Revolving Credit Facility to increase the revolving commitments by $12.8 million and to extend the maturity to April 29, 2024. The proceeds of the additional term loans were used to repay in full the $425.0 million Zuffa Second Lien Term Loan.

In May 2019, the Company entered into $1.5 billion in interest rate hedges to swap a portion of its 2014 Credit Facilities from floating interest expense to fixed. The 2014 Credit Facilities pay interest based on LIBOR + 2.75%. The LIBOR portion of the facility has been fixed at a coupon of 2.12% for 5 years commencing from June 2019 until June 2024.

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors and Members of
Zuffa Parent, LLC:

We have audited the accompanying consolidated financial statements of Zuffa Parent, LLC and its subsidiaries (the "Company"), which comprise the consolidated statement of operations, comprehensive income, members' deficit, and cash flows for the period from January 1, 2016 through August 17, 2016 and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of the Company's operations and its cash flows for the period from January 1, 2016 through August 17, 2016 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the Company was acquired by a buyer group that includes WME Entertainment Parent, LLC ("WME"), affiliates of Silver Lake Partners ("SLP"), affiliates of Kohlberg Kravis Roberts & Co. L.P. ("KKR") and certain other investors (including certain existing owners as rollover investors). Our opinion is not modified with respect to this matter.

/s/ Deloitte & Touche LLP

March 31, 2017

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ZUFFA PARENT, LLC
CONSOLIDATED STATEMENT OF OPERATIONS
(In thousands)

	Period from January 1, 2016 through August 17, 2016
Revenue (including related party revenues of $1,225)	$ 360,875
Operating expenses:	
Cost of revenue	207,086
Selling, general and administrative expenses (including related party expenses of $6,522)	76,888
Acquisition transaction costs	37,162
Depreciation and amortization	4,807
Total operating expenses	325,943
Operating income	34,932
Other expense:	
Interest expense, net	13,110
Other income, net	(1,531)
Income before income taxes and equity losses of affiliates	23,353
Provision for income taxes expense	6,320
Income before equity losses of affiliates	17,033
Equity losses of affiliates, net of tax	1,513
Net income	$ 15,520

See accompanying notes to consolidated financial statements

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ZUFFA PARENT, LLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(In thousands)

	Period from January 1, 2016 through August 17, 2016
Net income	$ 15,520
Other comprehensive income, net of tax;	
Foreign currency translation adjustments, net of tax	(94)
Total comprehensive income, net of tax	$ 15,426

See accompanying notes to consolidated financial statements

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ZUFFA PARENT, LLC
CONSOLIDATED STATEMENT OF MEMBERS' DEFICIT
(In thousands)

	Members' Deficit	Accumulated Other Comprehensive Loss	Total Members' Deficit
Balance as of January 1, 2016 (as previously reported)	$(313,089)	$ (1,298)	$ (314,387)
Prior period correction (see Note 2)	(920)	—	(920)
Balance as of January 1, 2016 (as revised)	$(314,009)	$ (1,298)	$ (315,307)
Comprehensive income (loss)	15,520	(94)	15,426
Changes in receivables from members	275	—	275
Distributions	(63,343)	—	(63,343)
Unit-based compensation expense	397	—	397
Balance at August 17, 2016	$(361,160)	$ (1,392)	$ (362,552)

See accompanying notes to consolidated financial statements

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CONSOLIDATED STATEMENT OF CASH FLOWS
(In thousands)

		Period from January 1, 2016 through August 17, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$	15,520
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		4,807
Benefit for allowance for doubtful accounts		(1,083)
Write-off of obsolete inventory		1,311
Equity losses from affiliates		1,513
Amortization of television and film costs		19,033
Amortization of deferred financing cost		332
Amortization of debt discount		246
Unit-based compensation expense		397
Loss on sale or disposal of assets		36
Deferred income taxes		365
Decrease in swap fair value		(1,442)
Other, net		147
Changes in operating assets and liabilities:		
Decrease in accounts receivable		24,723
Other current assets		(1,224)
Increase in other noncurrent assets		(25,246)
Increase in accounts payable		31,774
Decrease in accrued liabilities		(11,117)
Increase in other current liabilities		2,630
Increase in deferred revenue		41,872
Decrease in other noncurrent liabilities		(3,146)
Net cash provided by operating activities		101,448
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, buildings and equipment		(16,766)
Capitalized software development costs		(856)
Investments in affiliates		(800)
Net cash used in investing activities		(18,422)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments for financing costs		(1,226)
Change in receivable from members		275
Payments on borrowings		(2,398)
Distributions to members		(63,343)
Net cash used in financing activities		(66,692)
Effects of exchange rate movements on cash		(94)
Increase in cash and cash equivalents		16,240
Cash and cash equivalents, beginning of period		19,347
Cash and cash equivalents, end of period	$	35,587
Supplemental information:		
Cash paid for interest	$	11,910
Cash payment for income taxes	$	131
Non-cash investing and financing activities:		
Capital expenditures included in current liabilities	$	5,332

See accompanying notes to consolidated financial statements

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ZUFFA PARENT, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Zuffa Parent, LLC and its subsidiaries (collectively the “Company”, “Zuffa”, or “we”) is an integrated media and entertainment company, principally engaged in the development, production, sales and marketing of media and consumer products featuring the Ultimate Fighting Championship ® (UFC ®) and related brands. Zuffa Parent, LLC was formed on July 27, 2016, is headquartered in Las Vegas, Nevada and wholly-owns Zuffa, LLC, which is the operating entity for the Ultimate Fighting Championship.

On August 18, 2016, a buyer group that includes WME Entertainment Parent, LLC (“WME”), affiliates of Silver Lake Partners (“SLP”), affiliates of Kohlberg Kravis Roberts & Co. L.P. (“KKR”) and certain other investors (including certain existing owners as rollover investors) (the “buyer group”) acquired 100% of the equity interests of Zuffa (see Note 13). The acquisition was accounted for as a business combination in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 805, *Business Combinations* (“ASC 805”), with WME deemed the accounting acquirer. These consolidated financial statements reflect the operating results and cash flows of Zuffa for the period from January 1, 2016 through August 17, 2016, which relates to the accounting period preceding the acquisition of Zuffa on August 18, 2016.

In connection with the acquisition, the Company recognized acquisition transaction costs of $37.2 million for the period from January 1, 2016 through August 17, 2016, which are included in acquisition transaction costs in the consolidated statement of operations. Transaction related costs include certain professional fees, employee bonuses and other contractual amounts payable to third parties resulting from the change in control. Compensation expense related to the accelerated vesting of equity awards as a result of change in control of $0.2 million is included in selling, general and administrative expenses in the consolidated statement of operations. Additionally, certain equity awards were cash-settled contemporaneously with closing of the acquisition for $402.2 million. As a result, the cash settlement is included in the allocation of the purchase price and opening balance sheet on August 18, 2016 (see Note 7).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

The consolidated financial statements include the accounts of the Company and all wholly-owned, majority-owned and controlled subsidiaries. In addition, the Company evaluates its relationships with other entities to identify whether they are variable interest entities as defined by ASC Topic 810, *Consolidation* (“ASC 810”), and to assess whether it is the primary beneficiary of such entities. If the determination is made that the Company is the primary beneficiary, then that entity is consolidated. All intercompany transactions and balances have been eliminated.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and the accompanying disclosures.

Significant accounting policies that contain subjective management estimates and assumptions include those related to revenue recognition and related accounts receivable, the fair value of equity-based compensation, investments, income taxes, contingencies, the fair value of the Company’s reporting unit and the assessment of goodwill, other intangible assets and long-lived assets for impairment.

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4. EQUITY LOSSES OF AFFILIATES

Ultimate NEV, LLC

The Company has a 50%-owned joint venture to develop and operate UFC ® -branded fitness gyms and manufacture, create, own and market retail home fitness and related products. Zuffa accounts for this investment under the equity method of accounting and recognized equity losses of $1.3 million and made contributions of $0.8 million during the period from January 1, 2016 through August 17, 2016.

Fight, LLC

On February 20, 2013, the Company entered into a 50%-owned joint venture to develop and operate a website on the promotion of mixed-martial arts. Zuffa accounts for this investment under the equity method of accounting and recognized equity losses of less than $0.1 million during the period from January 1, 2016 through August 17, 2016.

UG Clubs, LLC

On June 19, 2014, the Company entered into a 50%-owned joint venture to develop and operate nine fitness gyms. Zuffa recognized equity losses of $0.2 million during the period from January 1, 2016 through August 17, 2016.

5. DEBT

On March 18, 2014, Zuffa completed a refinancing of its senior secured credit facility with a syndicate of banks led by Deutsche Bank Trust Company Americas, replacing an existing term loan of principal $450.0 million with a term loan of principal $479.5 million (the “Credit Facility”). The refinanced term loan maintains the same maturity date of February 25, 2020 as the previous term loan and has an interest rate of 3.00% plus a LIBOR floor of 0.75%, for a total of 3.75% as of August 17, 2016. Zuffa is required to make quarterly principal reduction payments on the refinanced term loan equal to 0.25% of the initial amount of the term loan. Principal payments of $2.4 million were made during the period from January 1, 2016 through August 17, 2016. The refinanced term loan was not issued at a discount; however, Zuffa’s previous term loans prior to refinancing included original issue discounts. The Company records debt discounts as a reduction of the related debt and amortizes the discount to interest expense over the term of the agreement using the straight-line method, which approximates the effective interest method. Amortization of debt discount was $0.2 million during the period from January 1, 2016 through August 17, 2016.

As part of its Credit Facility, Zuffa has a $60.0 million capacity revolver, which matures February 25, 2018 and has an interest rate of 2.50% plus LIBOR for amounts drawn, for a total of 3.00% as of August 17, 2016. Zuffa is required to pay a commitment fee equal to 0.25% per annum on the unused portion of the revolver. During the period from January 1, 2016 through August 17, 2016, Zuffa paid $0.1 million in unused commitment fees which is included in interest expense in the consolidated statement of operations.

In connection with the refinancing and previous debt transactions, Zuffa incurred direct and incremental costs that have been capitalized as deferred financing costs and are being amortized to interest expense over the term of their respective agreements using the straight-line method, which approximates the effective interest method. Amortization of deferred financing costs was $0.3 million during the period from January 1, 2016 through August 17, 2016.

All of Zuffa’s debt has variable interest rate or rates that the Company believes approximate current market rates and, accordingly, the carrying value is a reasonable estimate of fair value. The Credit Facility is secured by substantially all of the Zuffa’s assets. As of August 17, 2016, management believes that Zuffa is in compliance with the covenants and other provisions governing the Credit Facility.

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6. MEMBERS' CAPITAL

Net income of Zuffa is allocated to the Members in accordance with the provisions of the Zuffa Amended and Restated Limited Liability Company Operating Agreement (the "Operating Agreement"). The allocation of profits and losses is based on a number of factors including the unreturned capital contributions and income and losses previously allocated. Zuffa may, at management's discretion, reimburse its Members, through distributions, for any income tax obligations resulting from profits realized in excess of accumulated losses previously allocated to the Members. No Member is liable for the repayment, satisfaction or discharge of any Zuffa liabilities in excess of the balance of the Member's capital account.

7. EQUITY-BASED COMPENSATION

Effective March 1, 2006, Zuffa adopted the Zuffa Participation Interest Plan (the "PIP" or the "Plan") to attract, retain and motivate certain officers and employees of Zuffa to align their interests with those of the owners of Zuffa through the granting of participation interests. The Plan was amended on December 31, 2008 primarily to update defined terms and certain conditions in the original agreement.

Participants in the Plan are granted a Participation Interest ("PI"), which has a vesting period of four to five years depending on the award. The PI has graded vesting whereby 20% - 25% vests on each anniversary date of the award. The PI is used to calculate two separate benefits that participants receive under the Plan.

Firstly, participants who are actively employed by Zuffa on December 31 of any calendar year are entitled to an annual bonus (the "annual bonus"), which is calculated as the factor of:

1) Zuffa's adjusted net income;
2) the employee's PI; and
3) the employee's vested percentage.

Accruals for the future obligation related to the annual bonus are included in selling, general and administrative expense in the consolidated statement of operations.

Additionally, participants are entitled to a second benefit upon occurrence of a termination or liquidity event, which causes a simultaneous curtailment of the annual bonus component of the Plan described in the preceding paragraph. A termination event results from a participant's death, disability, termination with cause, termination without cause or voluntary termination. A liquidity event results from a change in ownership of Zuffa or a change in ownership of a substantial portion of the assets of Zuffa. This benefit (hereafter referred to as the "PIP award") is calculated as the factor of:

1) the fair market value of Zuffa as of the termination or liquidity event date;
2) the employee's PI;
3) the employee's vested percentage; and
4) the percentage (which can range from 25% - 100%) of the PI payable due to the type of termination or liquidity event.

The PIP award is due in five equal annual installments on each of the five anniversary dates of the event. On May 25, 2012, Zuffa amended certain provisions of the PIP. Under the terms of the modification, participants are no longer entitled to the cash settlement feature upon a termination event, but instead are due an equity interest in Zuffa. The amendment caused the PIP awards to qualify for equity accounting treatment whereas prior to the amendment liability accounting treatment was necessary.

Calculation of the fair value of the PIP award requires the use of external valuation specialists as well as management estimates. The equity interest granted for PIP awards upon a termination or liquidity event, as

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defined, is a function of Zuffa's fair market value as determined at the termination date and the PI percentage due based on the type of termination or liquidity event. A recognized valuation methodology (which considered both the "Income Approach" and "Market Approach") was utilized to arrive at the fair value of Zuffa. Information published by the Social Security Administration was used to estimate the probabilities of death or disability. Information published by Strategy Business and the Pittsburgh Post-Gazette was utilized to quantify probabilities of voluntary and involuntary termination. Taking the above information into consideration, probability-weighted scenarios are used for each potential termination event.

All of these factors are incorporated into the ultimate calculation of the fair value of the equity as of August 17, 2016.

Under equity accounting, awards are fair valued on the grant date and amortized to compensation expense over the vesting period as the requisite service is rendered. Compensation expense is not recognized for awards that do not vest because service conditions are not satisfied.

Compensation expense of $0.1 million was recorded pursuant to the PIP Plan during the period from January 1, 2016 through August 17, 2016.

Effective August 31, 2012, Zuffa adopted the Zuffa Appreciation Interest Plan (the "MP Plan"), which shares the same purpose and features of the PIP Plan with two exceptions:

1) There is not an annual bonus component; and

2) The award component functions as an appreciation right whereby the award only has value on the termination date to the extent the fair value of the equity of Zuffa exceeds the base value in the participant's award agreement.

The fair value of MP awards is calculated in a manner consistent with the PIP awards and also qualifies for equity accounting treatment. Zuffa incurred $0.3 million of compensation expense, including accelerated vesting expense of $0.2 million related to the change in control, during the period from January 1, 2016 through August 17, 2016 pursuant to the MP Plan.

In connection with the acquisition and related change in control, all unvested equity awards became vested under the terms of the original awards. As such, there is no unrecognized compensation expense related to non-vested equity awards. The PIP and MP equity awards were cash-settled contemporaneously with closing of the acquisition for $402.2 million. As a result, the cash settlement is included in the allocation of the purchase price and opening balance sheet on August 18, 2016.

8. EMPLOYEE BENEFIT PLANS

Zuffa sponsors a 401(k) defined contribution plan covering substantially all of its employees. Under this plan, participants are allowed to make contributions based on a percentage of their salaries, subject to a statutorily prescribed annual limit. Zuffa makes matching contributions of 50% of each participant's contributions, up to 4% of eligible compensation (maximum 2% matching contribution). Zuffa may also make additional discretionary contributions to the 401(k) plan. Employer matching contributions to the 401(k) plan during the period from January 1, 2016 through August 17, 2016 were $0.5 million.

9. DERIVATIVE INSTRUMENTS

On February 20, 2013 and later amended April 10, 2013, Zuffa entered into a swap with Deutsche Bank for $225.0 million notional with a termination date of February 20, 2017. The swap requires the Company to pay a fixed rate of 2.223% and receive the greater of i) USD-LIBOR and ii) 1.0%, which was 1.0% as of August 17, 2016.

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The interest rate swap does not qualify for hedge accounting; therefore, the changes in fair value are recognized as a gain or loss in the consolidated statement of operations in the period of change.

During the period from January 1, 2016 through August 17, 2016, the decrease in the fair value of the swap liability of $1.4 million was recorded as a gain in other expense, net in the consolidated statement of operations.

10. INCOME TAXES

The Company is a LLC which is treated as a partnership for U.S. federal income tax purposes and is therefore not subject to U.S. corporate income taxes. The Company's foreign corporate subsidiaries are subject to entity-level taxes. The Company also is subject to entity-level income taxes in certain U.S. state and local jurisdictions.

Income before income taxes includes the following components for the period from January 1, 2016 through August 17, 2016 (in thousands):

United States	$24,404
Foreign	(1,051)
Total	$23,353

The income tax provision consists of the following for the period from January 1, 2016 through August 17, 2016 (in thousands):

Current:	
U.S. federal, state, and local	$ 124
Foreign	6,173
Total Current	6,297
Deferred:	
U.S. federal, state, and local	—
Foreign	23
Total Deferred	23
Total provision for income taxes	$6,320

The effective income tax rate based on the actual provision shown in the consolidated statement of operations differs from the U.S. statutory federal income tax rate as follows for the period from January 1, 2016 through August 17, 2016 (in thousands):

U.S. statutory federal income tax of 35%	$ 8,173
Partnership income not deductible for tax	(8,541)
Tax impact of foreign operations	6,204
Valuation allowance	360
U.S. state and local taxes at partnership level	124
Total provision for income taxes	$ 6,320

ASC 740 requires that a valuation allowance be recorded against deferred tax assets when it is more likely than not that some or all of a company's deferred tax assets will not be realized based upon available positive and negative evidence. After reviewing all available positive and negative evidence as of August 17, 2016, the Company recorded a valuation allowance against foreign deferred tax assets of $2.2 million. For the year ended August 17, 2016, the Company recorded an increase in valuation allowance of $0.3 million. Of this amount, $0.4 million was recorded in the current period provision for income taxes and $(0.1) million was recorded in other comprehensive loss.

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Due to the Company's structure, the portion of unremitted earnings of non-U.S. subsidiaries (controlled foreign corporations), which are deemed to be indefinitely reinvested outside of the U.S., are not significant to the consolidated financial statements.

The Company is regularly audited by domestic and foreign taxing authorities. Audits may result in tax assessments in excess of amounts claimed and the payment of additional taxes. The Company believes that its tax return positions comply with applicable tax law and that it has adequately provided for reasonably foreseeable assessments of additional taxes. Additionally, the Company believes that any assessments in excess of the amounts provided for will not have a material adverse impact in the consolidated financial statements.

The Company is subject to taxation in various state and foreign jurisdictions. During 2016, the Company concluded an examination with the Internal Revenue Service for the 2011 and 2012 tax years. Therefore, as of December 31, 2016, the Company is subject to review by U.S. federal taxing authorities for the years 2013 through 2016. With few exceptions, the Company is generally not subject to examination by state and local and foreign income tax authorities for periods prior to 2013.

11. COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Company has certain commitments, including various non-cancelable operating leases for offices and equipment. Future annual rental commitments under non-cancelable operating leases are as follows (in thousands):

For the year ending December 31:	
2016 Remaining	$ 474
2017	1,406
2018	789
2019	520
2020	213
2021	78
Thereafter	62
	$3,542

Rent expense under non-cancelable operating leases totaled $1.1 million during the period from January 1, 2016 through August 17, 2016.

Film Commitments

Film commitments include amounts related to the acquisition and licensing of film content where the Company has entered into an agreement to obtain future films, but has not paid for or received the films yet. Future minimum payments for the years ending December 31, 2017 through 2021 and thereafter under the agreements described above are as follows (in thousands):

For the year ending December 31:	
2016 Remaining	$ 5,236
2017	6,146
2018	4,684
2019	3,497
2020	3,422
2021	448
Thereafter	—
	$23,433

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Claims and Litigation

The Company is involved in legal proceedings, claims and governmental investigations arising in the normal course of business. Except for those claims noted below for which the Company has recorded liabilities for losses determined to be probable and estimable, it is the belief of management that the ultimate outcome of these matters will not materially affect the Company's financial position, results of operations or cash flows.

Zuffa has five related class-action lawsuits filed against it in the United States District Court for the Northern District of California between December 16, 2014 and March 20, 2015 by a total of eleven former UFC fighters: *Le et al. v. Zuffa, LLC,* 5:14-cv-05484 EJD; *Vasquez et al. v. Zuffa, LLC,* 5:14-cv-05591 EJD; *Vera et al. v. Zuffa, LLC,* 14-cv-05621 EJD; *Ruediger et al. v. Zuffa, LLC,* 5:14-cv-00521 EJD; *Kingsbury et al. v. Zuffa, LLC,* 3:15-cv-01324.

The complaints in the five lawsuits are substantially identical. Each alleges that Zuffa violated Section 2 of the Sherman Act by monopolizing the alleged market for the promotion of elite professional mixed martial arts ("MMA") bouts and monopolizing the alleged market for elite professional MMA Fighters' services. The plaintiffs in all five cases seek to represent the same two putative classes: (1) a "bout class" of all current and former UFC fighters who have competed in MMA bouts taking place or broadcast in the United States from December 16, 2010 through the present, and (2) an "identity class" of all current and former UFC fighters whose identity was "expropriated or exploited" by Zuffa from December 16, 2010 through the present. Plaintiffs claim that Zuffa's alleged conduct injured them by artificially depressing the compensation they received for their services and their intellectual property rights, and they seek treble damages under the antitrust laws, as well as attorneys' fees and costs, and injunctive relief. On June 2, 2015, the court granted Zuffa's motion to transfer all five cases to the United States District court for the District of Nevada, where the cases are now pending. On September 25, 2015, the District Court denied Zuffa's motion to dismiss the complaints. The Company believes the lawsuits are meritless and therefore intends to defend itself vigorously against the allegations in the complaints.

A former Brazilian sponsor Cervejaria Petrópolis, responsible for commercializing TNT energy drink in Brazil, filed a lawsuit against the Company's wholly owned Brazilian company, Zuffa Eventos Esportivos Brasil LTDA, based on an alleged breach of a purported exclusivity clause contained in a sponsorship agreement and requested damages and costs. In July 2016 the lower court award was issued, dismissing all claims. The plaintiff appealed and UFC answered on October 24th. UFC believes the lawsuit is meritless and the lower court has found in its favor; therefore, UFC intends to continue to defend itself during the appellate process. However, based on the advice of Brazilian external counsel in 2015 the Company concluded it was probable and reasonably estimable the Company will incur contractual penalties resulting in reserving $0.3 million in 2015 and as of August 17, 2016 the Company has maintained this amount in accrued liabilities in the consolidated balance sheet as the advice of Brazilian external counsel is unchanged from their original assessment.

The Company is involved in various other legal matters arising in the normal course of business. In the opinion of the Company, all pending legal matters are either adequately covered by insurance or, if not insured, will not have a material adverse effect on the financial position or the results of operations of the Company.

12. RELATED PARTY TRANSACTIONS

From time to time, the Company enters into transactions in the normal course of business with parties related to the members. Members and their related parties were reimbursed $0.2 million by the Company for costs incurred by such parties on the Company's behalf during the period from January 1, 2016 through August 17, 2016. The Company was reimbursed $0.5 million by the members and their related parties for costs incurred by the Company on the members behalf during the period from January 1, 2016 through August 17, 2016.

The Company leases an aircraft owned by certain Members and leases an associated aircraft hangar. Charges of $5.9 million for the period from January 1, 2016 through August 17, 2016 are included in selling,

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general and administrative expenses in the consolidated statement of operations. The Company is charged management fees for services provided by affiliates of the Members, including payments to one of the Members for services provided to the Company. Charges for management fees of $0.3 million for the period from January 1, 2016 through August 17, 2016 are included in selling, general and administrative expenses in the consolidated statement of operations.

On October 1, 2014, the Company issued a $0.8 million promissory note to a senior executive. The promissory note is forgiven by 25% at each of the four anniversary dates until maturity on October 1, 2018 based on the employee's service to the Company. In accordance with ASC 710, the Company recognizes expense as the employee fulfills the service obligation over the four years. The Company recorded expense of $0.1 million during the period from January 1, 2016 through August 17, 2016, which is included in selling, general and administrative expenses in the consolidated statement of operations.

The Company receives payments from a related party for the closed circuit feed to pay-per-view events. Revenue during the period from January 1, 2016 through August 17, 2016 was $0.1 million and the Company incurred charges of $0.2 million related to lodging and meeting expenses with the same related party.

The Company recognized revenue of $1.1 million for royalties earned from licensing its tradename to Ultimate NEV, LLC during the period from January 1, 2016 through August 17, 2016.

13. SUBSEQUENT EVENTS

Subsequent events were evaluated through March 31, 2017, which is the date the consolidated financial statements were available for issuance.

On August 18, 2016, a buyer group consisting of WME, SLP, KKR and certain other investors (including existing owners as rollover investors) acquired 100% of the equity interests of the Company. The total purchase price was $4.1 billion which includes contingent consideration of $224.4 million with the Company responsible for $22.4 million of the contingent consideration. The remaining $202.0 million of contingent consideration is the obligation of WME. The acquisition was financed through (i) approximately $1.5 billion in new Zuffa common equity issued to WME, SLP, KKR and certain other investors, (ii) a rollover of common equity valued at $325.0 million by the existing owners of Zuffa, (iii) $360.0 million in new Zuffa preferred equity and (iv) $1.7 billion in net borrowings. A portion of the proceeds from the acquisition were used to pay off in full the Credit Facility and interest rate swap liability on August 18, 2016.

In January 2017, the Company completed a transaction for land held for sale with a carrying value of $2.5 million, which was sold for approximately the same amount.

In connection with the acquisition, the Company entered into a First Lien Credit Agreement and a Second Lien Credit Agreement (together the "New Credit Facilities").

The First Lien Credit Agreement consists of (i) a seven-year secured term loan with an aggregate principal amount of $1,375.0 million (the "First Lien Term Loan") and (ii) a five-year secured revolving credit facility in an aggregate principal amount of up to $150.0 million (the "Revolving Credit Facility"). The Second Lien Credit Agreement consists of an eight-year secured term loan with an aggregate principal amount of $425.0 million (the "Second Lien Term Loan").

The First Lien Term Loan bears interest at a rate of LIBOR + 4.0% (with a LIBOR floor of 1%). The First Lien Term Loan includes 1% principal amortization that is payable in quarterly installments with any remaining balance payable on the final maturity date of August 18, 2023. The Second Lien Term Loan bears interest at the rate of LIBOR + 7.5% (with a LIBOR floor of 1%) and is payable and due on the final maturity date of August 18, 2024. Amounts under the Revolving Credit Facility are available to be borrowed and re-borrowed until its termination on August 18, 2021. The Revolving Credit Facility accrues a commitment fee of 0.50% per annum on the unused balance. The New Credit Facilities are secured by liens on substantially all of the assets of Zuffa.

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In February 2017, Zuffa completed a refinancing of the First Lien Term Loan (the "Amended First Lien Term Loan") reducing the annual interest rate 75 basis points to LIBOR + 3.25% (with a LIBOR floor of 1%). The Amended First Lien Term Loan maintains the same maturity date of August 18, 2023 and includes 1% principal amortization that is payable in quarterly installments, with any remaining balance payable at final maturity. With the exception of the new interest rate, the Amended First Lien Term Loan has similar terms and conditions to the First Lien Term Loan.

The Company completed an analysis to determine whether these refinancings met the criteria to be accounted for as a modification or an extinguishment. The Amended First Lien Term Loan are comprised of a syndicate of lenders, and the analysis required a comparison of debt cash flows on a lender by lender basis prior to and subsequent to the refinancings. Those lenders participating in the syndication prior to and subsequent to the refinancings will be treated as a modification or extinguishment. Those lenders participating in the syndication prior to but not subsequent to the refinancings will be treated as an extinguishment. Those lenders participating in the syndication subsequent to but not prior to the refinancings will be treated as new borrowings.

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Exhibit Number	Description
10.6*	Amendment No. 5, dated as of May 18, 2018 among WME IMG Holdings LLC, WME IMG, LLC, William Morris Endeavor Entertainment, LLC, IMG Worldwide Holdings, LLC, each lender from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent, collateral agent, swingline lender and issuing bank.
10.7*	First Lien Credit Agreement dated as of August 18, 2016, among Zuffa Guarantor, LLC, UFC Holdings, LLC, the lenders party thereto, Goldman Sachs Bank USA, as administrative agent, collateral agent, swingline lender and issuing bank, Deutsche Bank Securities Inc., as syndication agent, and Goldman Sachs Bank USA, Barclays Bank PLC, Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc. and KKR Capital Markets LLC as co-documentation agents.
10.8*	First Refinancing Amendment, dated as of February 21, 2017, among Zuffa Guarantor, LLC, UFC Holdings, LLC, the lenders party thereto and Goldman Sachs Bank USA, as administrative agent.
10.9*	First Lien Incremental Term Facility Amendment, dated as of April 25, 2017, among Zuffa Guarantor, LLC, UFC Holdings, LLC, Goldman Sachs Bank USA, as administrative agent and the initial First Additional Term B Lender.
10.10*	Second Lien Credit Agreement dated as of August 18, 2016, among Zuffa Guarantor, LLC, UFC Holdings, LLC, the lenders party thereto, Deutsche Bank AG New York Branch, as administrative agent and collateral agent, Goldman Sachs Bank USA, as syndication agent, and Deutsche Bank Securities Inc., Barclays Bank PLC, Credit Suisse Securities (USA) LLC and KKR Capital Markets LLC as co-documentation agents.
10.11*	Third Amendment dated as of March 26, 2019, among Zuffa Guarantor, LLC, UFC Holdings, LLC, Goldman Sachs Bank USA, as administrative agent, and the lenders party thereto.
10.12*	Fourth Amendment dated April 29, 2019, among Zuffa Guarantor, LLC, UFC Holdings, LLC, Goldman Sachs Bank USA, as administrative agent, and the lenders party thereto.
10.13*	Form of Indemnification Agreement.
10.14*	Form of Stockholders Agreement by and among Endeavor Group Holdings, Inc. and the stockholders named therein.
10.15*	Form of Registration Rights Agreement.
10.16*	Form of Tax Receivable Agreement by and among Endeavor Group Holdings, Inc. and the Post-IPO TRA Holders.
10.17*	Form of Amended and Restated Limited Liability Company Agreement of Endeavor Operating Company, LLC.
10.18*	Form of Amended and Restated Limited Liability Company Agreement of Endeavor Manager, LLC.
10.19*†	Second Amended and Restated Limited Liability Company Agreement of Zuffa Parent, LLC, dated as of August 18, 2016.
10.20*	Form of Common Stock Subscription Agreement.
10.21*	Endeavor Group Holdings, Inc. 2019 Management Incentive Plan.
10.22*	Form of Employee Option Award Agreement for use with the Endeavor Group Holdings, Inc. 2019 Management Incentive Plan.
10.23*	Form of Non-Employee Director Restricted Stock Unit Agreement for use with the Endeavor Group Holdings, Inc. 2019 Management Incentive Plan.
10.25*	Second Amended and Restated Term Employment Agreement with Ariel Emanuel.
10.26*	Specified Profits Member Agreement, dated as of April 1, 2019, between Zuffa Parent, LLC and Ariel Emanuel.
10.28*	Second Amended and Restated Term Employment Agreement with Patrick Whitesell.
10.31*	Employment Agreement with Jason Lublin.

 Exhibit 23.3

CONSENT OF INDEPENDENT AUDITORS

We consent to the use in this Registration Statement of Endeavor Group Holdings, Inc. on Form S-1 of our report dated March 31, 2017 related to the financial statements of Zuffa Parent, LLC for the period from January 1, 2016 through August 17, 2016 (which report expresses an unmodified opinion on the financial statements and includes an emphasis of matter referring to the acquisition of Zuffa Parent, LLC by a buyer group), appearing in the Prospectus, which is part of this Registration Statement, and to the reference to us under the heading “Experts” in such Prospectus.

/s/ DELOITTE & TOUCHE LLP

New York, NY

May 23, 2019